

THE GLOBAL NEWSPAPER  
Printed Simultaneously  
in Paris, London, Zurich  
and Hong Kong

# Herald Tribune

Published With The New York Times and The Washington Post

PARIS, SATURDAY-SUNDAY, JULY 17-18, 1982

ESTABLISHED 1887

|                |             |              |             |             |            |
|----------------|-------------|--------------|-------------|-------------|------------|
| Algeria        | 5.50 Dhs.   | Iran         | 12.50 Dhs.  | Norway      | 5.00 Nkr.  |
| Austria        | 13.75 S.    | Italy        | 1000 Lit.   | Portugal    | 200 Esc.   |
| Belgium        | 33 B.F.     | Japan        | 100 Yen     | Spain       | 166 Ptas.  |
| Canada         | 1.10 Cdn.   | Korea        | 100 Wons    | Switzerland | 70 Sfr.    |
| Cuba           | 240 Cps.    | Laos         | 100 Kips    | Taiwan      | 80 N.T.S.  |
| Czechoslovakia | 20 Cks.     | Lebanon      | 100 L.L.    | Thailand    | 5.00 Bts.  |
| Denmark        | 4.66 Dkr.   | Lithuania    | 100 Lt.     | Turkey      | 1.80 Liras |
| Egypt          | 10 P.       | Malaysia     | 100 M.      | U.S.A.      | 1.00 D.    |
| Finland        | 5.94 Fmk.   | Mexico       | 16 Cps.     | U.K.        | 1.00 £     |
| France         | 6.55 F.     | Morocco      | 100 Dirhams | USSR        | 25 Kopecks |
| Germany        | 3.36 M.     | Nepal        | 100 Rs.     | Vietnam     | 200 D.     |
| Greece         | 340 Dr.     | Netherlands  | 100 Gld.    | Yugoslavia  | 100 D.     |
| Great Britain  | 1.00 £      | Norway       | 5.00 Nkr.   |             |            |
| Ireland        | 7.88 P.     | Poland       | 100 Zlotys  |             |            |
| Israel         | 20 N.       | Romania      | 100 Lei     |             |            |
| Italy          | 1000 Lit.   | Soviet Union | 25 Kopecks  |             |            |
| Japan          | 100 Yen     | Taiwan       | 80 N.T.S.   |             |            |
| Korea          | 100 Wons    | Thailand     | 5.00 Bts.   |             |            |
| Laos           | 100 Kips    | Turkey       | 1.80 Liras  |             |            |
| Lebanon        | 100 L.L.    | U.S.A.       | 1.00 D.     |             |            |
| Lithuania      | 100 Lt.     | U.K.         | 1.00 £      |             |            |
| Malaysia       | 100 M.      | USSR         | 25 Kopecks  |             |            |
| Mexico         | 16 Cps.     | Vietnam      | 200 D.      |             |            |
| Morocco        | 100 Dirhams | Yugoslavia   | 100 D.      |             |            |
| Nepal          | 100 Rs.     |              |             |             |            |
| Netherlands    | 100 Gld.    |              |             |             |            |
| Norway         | 5.00 Nkr.   |              |             |             |            |
| Poland         | 100 Zlotys  |              |             |             |            |
| Romania        | 100 Lei     |              |             |             |            |
| Soviet Union   | 25 Kopecks  |              |             |             |            |
| Taiwan         | 80 N.T.S.   |              |             |             |            |
| Thailand       | 5.00 Bts.   |              |             |             |            |
| Turkey         | 1.80 Liras  |              |             |             |            |
| U.S.A.         | 1.00 D.     |              |             |             |            |
| U.K.           | 1.00 £      |              |             |             |            |
| USSR           | 25 Kopecks  |              |             |             |            |
| Vietnam        | 200 D.      |              |             |             |            |
| Yugoslavia     | 100 D.      |              |             |             |            |

## PLO Suggests A 2-Stage Exit From Lebanon

By Thomas L. Friedman  
New York Times Service  
BEIRUT — With negotiations for getting the Palestinian fighters out of Beirut stalled over the fact that no other Arab country is willing to take them, the PLO's Liberation Organization has offered to move "temporarily" to northern Lebanon while negotiations for a permanent solution continue, a PLO official said Friday.

Hani Hassan, PLO chairman Yasser Arafat's top negotiator with the Lebanese government, said in a brief interview the PLO has suggested that in order to bring the Israeli siege of Beirut to a

peaceful conclusion, the PLO might move its fighters to northern Lebanon.

They could be stationed there temporarily while negotiations with the Lebanese government and Philip C. Habib, the special U.S. envoy, continue over the PLO's future military and political presence in Lebanon, as well as the fighters' ultimate destination.

Former Lebanese Premier Seeb Salam, who has been the key intermediary between Mr. Habib and Mr. Arafat, said he conveyed the suggestion that the PLO move to the north of the country to Mr. Habib Wednesday night, but that the American envoy initially found the idea "unworkable."

Mr. Salam said, however, Mr. Salam said, Mr. Habib has shown a willingness at least to pursue the idea with Washington, and evidently with the Israelis. It is considered highly unlikely here that the Israelis would accept such a proposal, since their negotiating position from the start has been that the PLO must leave Beirut directly for another Arab capital, without any residual military or political presence in Lebanon.

Mr. Salam said he suggested to Mr. Habib that the estimated 6,000 PLO fighters, encamped in West Beirut by Israeli forces could go to the northern Lebanese town of Hama, near the border with Syria. Other fighters might also go to Baalbek, in the eastern Bekaa Valley, where there is a large Palestinian refugee camp. Still others could be deployed in the northern Lebanese port of Tripoli, where there are two Palestinian refugee camps.

Tripoli, Baalbek and Hama are controlled by Syrian forces still in Lebanon. It was not immediately clear what assurances the PLO might provide that the guerrillas

would not settle permanently in these areas.

Mr. Salam said such a temporary move would pave the way for a lifting of the siege of West Beirut and a restoration of Lebanese governmental authority, while a permanent solution to the PLO problem was hammered out. Asked how long the PLO's temporary presence in northern Lebanon might be, Mr. Salam said "as temporary as possible."

Lebanese Premier Shafiq al-Wazzan told reporters Friday that the new PLO proposals offered "something which might help us to overcome the obstacles."

While the PLO has expressed a willingness in negotiations with the Lebanese government to transform its presence in Lebanon and possibly transfer its headquarters and some fighters elsewhere, no Arab country has stepped forward to accept them. Syria, the most likely destination and the seat of the PLO's parliament and official headquarters, rejected Thursday its decision not to accept any PLO fighters from Lebanon.

Problems Would Remain  
Lebanese government sources noted that even if the question of where the PLO goes is resolved, the issues of how they should get there and what kind of disengagement of forces should, precede their withdrawal remain to be worked out, along with a host of smaller issues, any one of which could hold up the talks again.

The five-day-old cease-fire, the sixth in the 41-day-old war, held firm Friday in and around Beirut. But witnesses told United Press International that Israeli troops manning roadblocks at the entrances to West Beirut turned away trucks carrying flour, fuel and other supplies, and allowed only a few Red Cross vehicles and diplomats to cross their lines.

Despite periodic relaxations of the Israeli blockade, food, gasoline and medicines remain in short supply. About 10,000 demonstrators gathered through West Beirut to Mr. Wazzan's office Friday to demand food.

Protests Against Invasion  
JERUSALEM (Reuters) — Several hundred Arabs, mostly youths, staged a rock-throwing demonstration on the Temple Mount Friday to protest the Israeli invasion.

Also, Moslems demonstrated outside the U.S. Embassy compounds in Jakarta on Thursday and in Dacca, Bangladesh, on Friday to protest what they called U.S. collusion in the invasion.

Several hundred Iranian Jews carried a sign Friday hailing the Palestinian struggle for a homeland. They were taking part in demonstrations in Tehran calling for the destruction of Israel.



Several hundred Iranian Jews carried a sign Friday hailing the Palestinian struggle for a homeland. They were taking part in demonstrations in Tehran calling for the destruction of Israel.

## France Denies Pentagon's Charge Of Secret Trade Pact With Russia

By Axel Krause  
International Herald Tribune  
PARIS — A senior Pentagon official said that France had been restrained from curbing export credits to the Soviet Union because of a secret protocol with Moscow, but the French government categorically denied his statement Friday.

The official, who requested that he not be identified, said late Thursday that members of the Reagan administration were "stunned" when they learned of the protocol in the spring.

He said the agreement signed by the previous administration of Valéry Giscard d'Estaing "pulled the rug out from under" a Reagan administration effort to restrict export credits to the Soviet Union both before and during the Versailles summit in June.

"They told us of the secret protocol, but they refused to share its contents," he said.

Responding to the reports Friday, a spokesman for the External Relations Ministry said, "We categorically deny that a secret agreement was signed with the USSR."

A financial protocol was concluded with the country in 1980. Its details were communicated to the Organization for Economic Cooperation and Development and, as a consequence, to the United States," he said.

The spokesman said that the cost-conscious fleet operators. The purchase price of a Checker was slightly more than \$9,000.

No announcement of the demise was made, and the end came behind a veil of corporate secrecy befitting the passing of a giant in a land of midgets.

Indeed, it took a corporate source quoted by The Kalamazoo Gazette and a brief conversation with a Checker worker describing himself as a fitter to confirm that the cab, long rumored to be in decline, would be made no more.

Still Have Work to Go  
"Yeah, it's down," the fitter said, using the word that describes an assembly line that has been stopped. He would not give his name, he said, because he had rights to "bump" workers with less seniority in the layoffs that will follow the halt of production. "I still have to go to work there," he said.

The end of the country's only specialty taxicab is viewed differently here than it would be, say, during rush hour in midtown Manhattan or on Michigan Avenue in Chicago.

In those places, the sight of an on-duty Checker pulling over to the curb, its face a mongrel memory of 1950s styling standards, offers a special lift to the urban spirit.

But in Kalamazoo, where there are Checker cabs but where most people drive their own cars, the loss of the cab line will be more painful than a case of cramped

fuel costs are a factor. The rising cost of fuel, the high cost of borrowing capital to modernize Checker's 25-year-old design and the refusal of Checker Corp. workers to grant the kinds of concessions won by Ford and General Motors from their workers contributed to the death of the Checker, according to automotive analysts.

It was the Checker's enduring bulk, which resulted in the company's inability to tool up for a more efficient model, that eventually killed it, analysts say. Its mileage could not compete with the fuel efficiency of smaller cabs and diesel-powered cabs put on city streets by

## Tehran Says Iraqi Jets Attack Prayer Center, School Deep in Iran

Compiled by Our Staff From Dispatches  
LONDON — Iran reported that Iraqi jets struck a Moslem prayer center deep inside western Iran Friday, killing 30 persons and wounding 200 in the city of Hamadan, and leveled a school in the western city of Isfahabad, killing two and injuring 30.

There were no new reports of ground action in the main battle area of Basra, Iraq's second largest city and Gulf port. The Iranians say they are entrenched near Basra, but Iraq says the area was "purged" of Iranian invaders in heavy fighting Wednesday and Thursday.

Iraq has said that two Iranian divisions were destroyed and 4,733 Iranians killed when Iraqi forces closed a "iron grip" defense around Basra and forced the Iranians to flee across their border.

No Confirmation  
Iranian communiques carried Friday by Radio Tehran, monitored in London, said, however, that Iranian forces killed or wounded 600 Iraqi troops, captured 791 and knocked out 48 tanks in defeating a counteroffensive to Tuesday's Iranian invasion.

The rival reports could not be independently confirmed because the two nations ban foreign correspondents from the front.

In Washington, a U.S. official who asked not to be identified said, "The Iraqis are not doing too badly. The Iranians are not making the progress some had predicted."

And a senior Reagan administration official said Friday that the United States is prepared to hold joint military exercises with Gulf oil-producing nations possibly threatened by the war.

In Nicaragua on Friday, Foreign Minister Ali Akbar Velayati of Iran ruled out any discussion of the war with his Iraqi counterpart at a conference of nonaligned nations.

At the same time, Mr. Velayati said Iran was not insisting on the downfall of President Saddam Hussein of Iraq as the price of calling off its invasion.

Mr. Velayati said at a news conference that the overthrow of Mr. Hussein was "a mere suggestion that Iraqis should rise and topple a corrupt fascist regime if they want to regain their glory." Previous Iranian statements have indicated that such an overthrow was part of the Iranian price for peace.

Hamadan, about 180 miles (288 kilometers) southwest of the Iranian capital, was attacked in two waves Friday, Iran's news agency said.

Tehran Marchers  
Radio Tehran said Iraqi planes also attacked the cities of Kermanshah, Ilam and Abadan.

Ayatollah Ruhollah Khomeini, Iran's revolutionary patriarch, pledged Friday to continue the war and criticized conservative Arab states for supporting Iraq. He vowed that his forces would topple the Iraqi regime and "liberate Jerusalem."

The official said there has been no request "at this stage" for a U.S. military presence in the area.

## Reagan Seen Favoring Grain Pact Extension

By Howell Raines  
New York Times Service  
WASHINGTON — President Reagan's advisers believe he is leaning toward a short-term extension of the agreement to sell grain to the Soviet Union, but administration officials said he has made no commitment on the issue in recent meetings with his Cabinet and with Republican congressional leaders.

Agriculture Secretary John R. Block said after a meeting of the National Security Council at the White House on Friday that Mr. Reagan has made no decision on the issue, Reuters reported. Asked why no decision was made, Mr. Block said that the session "was just a briefing" and that it covered a wide range of issues.

Rep. Robert H. Michel of Illinois, the House minority leader, said on Thursday he and other Republicans from agricultural areas urged the president to consider a one-year extension as a compromise between the desire of farmers for a new grain sale agreement and Mr. Reagan's policy of imposing economic sanctions on the Soviet Union until Moscow acts to ease tension in Poland.

Mr. Reagan heard the arguments on the issue during a Cabinet meeting Thursday afternoon. Mr. Reagan was said to be weighing the impact of an extension of the current agreement, which expires on Sept. 30, on his stringent policy toward the Soviet Union's ailing economy.

"The president is torn between wanting to hold the Russians' feet to the fire and going with the farmers, because he knows their plight," an administration official said.

Farm interests, supported by Mr. Block, regard a one-year extension of the agreement, which commits the Soviet Union to buy 6 million metric tons of U.S. wheat and corn annually, as the minimum step necessary to help the depressed U.S. agricultural economy.

Farm interests prefer negotiation of a new, more generous agreement or a one- or two-year extension with an increased minimum-purchase requirement for the Russians.

The president is being warned that flat refusal either to negotiate a new agreement or extend the current one will damage his popularity as the chances of Republican candidates in the 1982 congressional elections.

But, as Rep. Michel noted, anger at Soviet action in Poland and Afghanistan is a strong factor in Mr. Reagan's thinking. "The president is pretty obstinate and strong on that," he said. "He's the commander in chief and eventually it's going to be his call."

Even so, Republican congressmen (Continued on Page 2, Col. 1)

## Honduras, Nicaragua Exchange Accusations

By Richard Halloran  
New York Times Service  
WASHINGTON — Honduras and Nicaragua have accused each other of instigating fighting along their common border since the President Roberto Somoza Cordova of Honduras, in Washington on a visit, said Thursday that Nicaraguan troops had crossed into his country and Honduras forces might have driven into Nicaragua to repel the incursion.

Nicaragua said Thursday that rightist forces had crossed the border from Honduras and that 60 soldiers and 40 Nicaraguan soldiers had died in clashes in the last few days. Nicaragua has charged that incursions have been frequent in the past year, though not of the size of this one.

There was no independent confirmation of either account.

Honduran military officers visiting Washington with their president also told U.S. officials that they had uncovered the first evidence that Honduras and Nicaragua leftists had begun building a support network in Honduras to assist insurgents in El Salvador.

Mr. Somoza, who met Wednesday with President Reagan, said at a news conference that Honduran Army officers telephoned him Wednesday to say that Nicaraguan forces "are causing trouble inside Honduran territory."

The Honduran foreign minister, Edgardo Paz Barmid, said he had no information on where the fighting was. He said a formal protest had been lodged with Nicaragua, and he denied that Honduran forces were helping rightist Nicaraguan refugees to attack Nicaragua, as the Nicaraguan government has charged.

In related developments, Thomas O. Enders, assistant secretary of state for inter-American affairs, told a Senate subcommittee that Mr. Reagan "will certify El Salvador for continued military assistance later this month only if all the congressional requirements are fulfilled." That includes "strong evidence of hand reform," he said.

And the House Foreign Affairs Committee approved a measure

## Checker Cabs Go Out Not With a Rattle or Bang but a Corporate Hush

By Iver Peterson  
New York Times Service  
KALAMAZOO, Mich. — The Checker cab has died here of the automobile industry's lingering illness, and some of America's big-city legions began to die with it.

The last of the big slab-sided taxis rolled off the assembly line at the Checker Motors Corp. here Monday afternoon. Thousands of durable examples of the cab will still be pounding potholes in New York, Chicago, Cleveland, Pittsburgh and other major cities for years to come.

But unless another oversized taxi comes along, the demise of the Checker signals the beginning of the end for habs-on-cabs, five-on-a-fare, infants riding in strollers in cabs and children fighting to sit on the jump seats.

Fuel Costs Are a Factor  
The rising cost of fuel, the high cost of borrowing capital to modernize Checker's 25-year-old design and the refusal of Checker Corp. workers to grant the kinds of concessions won by Ford and General Motors from their workers contributed to the death of the Checker, according to automotive analysts.

It was the Checker's enduring bulk, which resulted in the company's inability to tool up for a more efficient model, that eventually killed it, analysts say. Its mileage could not compete with the fuel efficiency of smaller cabs and diesel-powered cabs put on city streets by



A classic Checker taxi prowling for a fare on Eighth Avenue in New York. About the only thing that has changed in the appearance of the Checker over the decades is the rates on the door.

knees. About 190 workers will lose their jobs in the midst of a severe economic recession, according to statements made by corporate officers earlier. More than 300 men and women had already been laid off as the market for the big cabs declined.

The death of the taxi-making arm of the company, which was formed in 1922, was foreshadowed last winter when corporate officers asked employees for contract concessions.

The corporation argued that pay and work-rule concessions granted

concessions, however. The officers have declined comment throughout the attempt by the concern to win concessions, and they did not return telephone messages left Monday.

On April 7, the corporation sent letters to its 800 employees saying it "will phase out the taxicab manufacturing operation," adding that "at this time, there are no plans for future automobile manufacturing" at the Kalamazoo facility.

Lighter-Weight Model  
Just a year ago, the cab company unveiled plans for a lighter-weight cab, offering roominess and comfort along with a degree of economy that was impossible to achieve with the two-ton models that have been produced with few major changes for 25 years. But these plans were tabled as Checker sales dipped to 2,939 last year from the peak sales of more than 5,000 yearly in the 1960s and 1970s.

The company produced nearly 3,200 cabs last year, up slightly from the year before. But it lost \$3 million on the tax-making line, the company said in its letter to employees announcing the shutdown. The corporation reported a net loss for 1981 of \$448,326.

The corporation's remaining 600 employees at the plant here will continue to turn out parts for the automobile industry, and the concern will continue its subsidiary operations, including a bus company in New York City and taxi fleets in Chicago and Pittsburgh.



# Congress Told That Israel 'May Have' Broken Arms Pact

United Press International

WASHINGTON — The State Department officials informed Congress on Friday that Israel may have violated an agreement with the United States in its use of American-supplied arms in Lebanon, administration officials said.

Officials said the notification came in a letter signed by Deputy Secretary of State Walter J. Stoessel Jr.

The officials said the letter contained the stock phrase, "U.S. arms may have been used in violation of the terms of U.S. law," which restricts the use of such weapons to internal security or self-defense.

White House Comments

The Deputy White House press secretary, Larry M. Speakes, said the letter was sent to congressional leaders and the appropriate House and Senate committees, but added, "the letter is classified, so we can't comment on the content of it."

"If you don't find substantial violations, then you don't send a letter," Mr. Speakes said. He said the letter was secret because of the "sensitivity of the negotiations in Beirut."

The determination that the law "may have" been violated is unlikely to lead to a cutoff of U.S. arms to Israel. That determination could be made by Congress, where Israel has been harshly criticized for its invasion of Lebanon.

The controversy centers in large part on whether Israel used U.S.-supplied cluster bombs, which emit shrapnel-like projectiles on impact.

Rep. Paul Findley, Republican of Illinois and a member of the House Foreign Affairs Committee, said the letter did not specifically address the cluster-bomb issue and called it "too little, too late."

"I will be surprised if this letter has any effect upon the behavior of the state of Israel," said Rep. Findley, who is a leading congressional supporter of the Palestinian cause.

He said, "it pains me greatly that our government has done nothing to rebuke, punish or restrain Israel because of its extensive use of cluster bombs."

Prime Minister Menachem Begin of Israel, during a stormy session on Capitol Hill on his visit in June, is said to have avoided direct

answers when asked whether the weapons had been used.

Israeli military officials unofficially have acknowledged that cluster bombs were used.

On Thursday, Deputy Assistant Secretary of State Wat T. Cluverius indicated that the administration was waiting for more information from the Israeli government before deciding whether the arms agreement was violated.

Mr. Cluverius made the comments in answer to questions from the House Foreign Affairs Committee chairman, Clement J. Zablocki, Democrat of Wisconsin, who chaired a hearing on Israeli use of U.S. military equipment.

Rep. Lee H. Hamilton, Democrat of Indiana, chairman of the House European and Middle East Subcommittee, said he did not understand how it could take the administration six weeks to determine if Israel violated the Arms Export Control Act.

Mr. Cluverius would not comment when asked if there was a U.S.-Israeli agreement restricting the use of cluster bombs. He said the United States had asked Israel not to use cluster bombs for anything but defensive purposes.



James Michel, left, a State Department legal adviser, talked to Wat T. Cluverius, a deputy assistant secretary of state, at a congressional hearing on Israeli use of U.S. arms in Lebanon.

## Crisis in Lebanon Reveals Limits on Arab and Israeli Power

World, Domestic Criticism Forces Begin to Waiver

By David B. Ottaway

Washington Post Service

JERUSALEM — Only a few weeks ago, Israel was in a state of near euphoria, thinking it was on the verge of achieving its most prized objective — the destruction of the Palestine Liberation Organization as a military threat and as a political force in the Middle East.

The government also believed it had the backing, or at least acquiescence, of the Reagan administration in accomplishing its goal by any means necessary.

Today, the possibility of achieving the goal is slipping from Israel's grasp, and the fate of the Palestinian guerrillas trapped in West Beirut has become a well-publicized international drama.

"It appears that the grace period that Israel enjoyed and the opportunity to extract the maximum political benefit from operation 'Peace for Galilee' have come to their end," said the independent daily Ma'ariv in an editorial Wednesday.

PLO 'Scores Points'

In fact, the PLO, if anything, seems to be reaping benefits from the Lebanese crisis.

"They did score points and we know we are paying a price for this waiting," said one Israeli official briefing foreign correspondents in Jerusalem. He said the Palestinians were building anti-Israeli feeling as well as "an image of martyrs and of savage Israeli persecution."

In the past week, PLO political director Farouk Kaddoumi has been received for the first time by a British government minister, and Thursday he met with French President Francois Mitterrand as part of an Arab League delegation touring Europe to discuss Lebanon.

George P. Shultz, the newly appointed U.S. secretary of state, at his Senate confirmation hearings said that "the legitimate needs and problems" of the Palestinians must be resolved "urgently and in all their dimensions."

The changing attitude of Prime Minister Menachem Begin's government toward the Lebanese crisis is striking. It can be seen in the tone of statements by officials, particularly the Cabinet's well-known "hawks," and in the debate among Israel's highly vocal political commentators and newspapers.

Mr. Begin, uncompromising in the early weeks of the invasion, is now cautioning Israelis to behave "with good sense and patience."

Defense Minister Ariel Sharon, the outspoken architect of the Lebanese operation, until recently threatened a full-scale assault on West Beirut almost daily, but now he is talking about the merit of negotiations and the need to use "political means" to drive the PLO from the city.

He told a parliamentary committee Thursday that there were three considerations against a military thrust into the city — casual-

ties among Israeli troops, civilian casualties and the adverse effect it would have on Israel's relations with the United States.

Foreign Minister Yitzhak Shamir, after weeks of warning that time was running out on nego-

tiations, said Wednesday night that Israel was "giving time and opportunity" to Philip C. Habib, U.S. envoy to the Middle East, to achieve the evacuation of the PLO guerrillas peacefully.

The Israeli media reported this week that the key factor in the new "flexibility" of the Begin government was a stern letter from President Reagan last week. Mr. Reagan was quoted as having warned Mr. Begin that a military assault on West Beirut would "gravely affect our bilateral relations."

His letter has had a sobering impact on government thinking here was made clear by a comment Wednesday by Mordechai Zapori, minister of communications, who said Israel, in deciding whether to enter West Beirut, had to consider "not only the military price but the price of antagonizing the United States. This price is much higher than several weeks ago."

Other considerations, both foreign and domestic, are in the bal-

ance as well. The media Thursday reported the government was taking into account pressures from Egypt and the possibility that Western European countries might impose sanctions on Israel if it carries out a full-scale assault on West Beirut.

The leftist Mapam political party distributed a leaflet questioning the whole invasion and charging that it was "based on the groundless assumption that it is possible to destroy the PLO by military means. An operation intended to achieve this goal is an impossible mission."

Wednesday it was reported that Abraham Burg, 27, son of Interior Minister Josef Burg, was one of three reserve officers who met with Mr. Begin recently to discuss their opposition to the war and urge him to halt it.

A similar plea came Thursday in the Labor conference newspaper, Davar. Its editor-in-chief Hannah Zemer complained in an editorial of the "horribly simplistic" way of thinking of the government's leaders who thought military means alone could solve the Palestinian problem.

"No action will put an end to terror. No action will solve any other problems we have," she wrote. She began her editorial with an emotional plea to Mr. Begin: "Don't send our boys into West Beirut."

## Some U.S. Jews Express Dissent Over Invasion

By Paul L. Montgomery

New York Times Service

NEW YORK — Although the Israeli government and major U.S. Jewish organizations insist that virtually all Jews in the United States support the invasion of Lebanon, there is increasing evidence of dissent.

"Our powerful communal disposition has always been to support Israel and rally around the flag," said Leonard Fein, the editor of Moment, the largest independent magazine of Jewish interests in the United States. "The problem is that the flag now is in a suburb of Beirut, and that's a long way to go for a rally."

The 5.9 million Jews in the United States constitute the largest Jewish population in the world — there are only 3.1 million in Israel — and there is no quick way of determining their feelings. Only a minority are actively involved in synagogues or other Jewish groups and even those do not necessarily agree with the leaders.

The situation is very troubling to the conscience, said Hans Jonas, a 79-year-old professor of philosophy at the New School for Social Research in New York and a Zionist since his youth in Germany. "The official Jewish organizations cannot bring themselves to say this, but in the rank and file I can assure you there is a feeling of disgust, of shame. I know rabbis who feel exactly as I do who cannot express it because their congregations would be up in arms."

Ad for Peace Now

Mr. Jonas, who fought as an artillery lieutenant in Israel's 1948 war of independence, was among 67 American Jewish scholars, writers and rabbis who signed an advertisement this month in support of the Peace Now movement in Israel, founded in 1977 to oppose ex-

pansionism and reliance on military solutions.

The advertisement expressed grave misgivings over the invasion of Lebanon and its advocacy of national self-determination for Palestinians. It also asked this question of American Jews: "Is it not time for us as supporters of Israel to speak out critically about those Israeli policies we know to be mistaken, self-defeating, and contrary to the original Zionist vision?"

Among signers were writers Saul Bellow, E.L. Doctorow, Alfred Kazin and Irving Howe, and scholars Meyer Schapiro, Daniel Bell, Nathan Glazer and Seymour Martin Lipset.

Norman Podhoretz, the editor of Commentary magazine and perhaps the most influential Jewish intellectual among secular intellectuals, said most of the dissenters are people who showed little concern for Israel in the past.

"The way people congratulate themselves in dissenting is offensive to me," he added. "They say it takes courage, but if anything it takes courage to support Israel in certain circles."

Much Uncertainty

Many found a mood of uncertainty. "All of the exclamation points are being bent now into question marks," said Rabbi Balfour Brickner of the Stephen Wise Free Synagogue in Manhattan, who signed the Peace Now ad.

In the view of many Jewish groups, however, the dissent is unrepresentative. "Don't get me wrong — nobody is celebrating — but I find American Jews really quite unified on this question," said Rabbi Joseph B. Glaser, executive vice president of the Central Conference of American Rabbis, a Reform body with a membership of 1,400. "Those

By Thomas L. Friedman

New York Times Service

BEIRUT — A deep political malaise has transformed the cohesive and powerful Arab world of 1973. The heartland of the Arabs now finds itself between two wars and threatened by two of the region's non-Arab powers — Israel and Iran.

Given the profound divisions among the individual Arab nations, their military impotence and their almost total lack of quality leadership, that vulnerability is not going to be a transient phenomenon.

The absence of a charismatic and substantial figure — in the mold of Gamal Abdel Nasser of Egypt — capable of leading the Arab countries out of their predicament has never been more apparent than in the past two months.

The last time the Palestine Liberation Organization faced a threat to its existence was in September, 1970, during the Jordanian civil war. Then it was President Nasser who virtually ordered other Arab leaders to fly to Cairo for a meeting to deal with the crisis. Even his rival, King Faisal of Saudi Arabia, was there.

Today, however, far from joining to save Iraq from the Iranian invaders, or the PLO from the Israeli Arabs, the Arab leaders have been fighting one another all the more.

Col. Moamer Qadhafi of Libya,

the great pretender to the Nasser throne, not only did not lift a finger on behalf of Yasser Arafat, with whom he has had a long-standing feud, but he also called on Mr. Arafat and his guerrillas to "commit suicide so that their blood could rekindle the Arab revolution."

When it came to the war with Iran, Saudi Arabia and the other oil-producing countries were prepared to throw \$24 billion into Iraq's war effort, but never any of their own men.

They were ready to fight to the last Iraqi, just as they now appear ready to fight the Israelis in Lebanon to the last Lebanese, Syrian or Palestinian.

The military weakness of the Arabs is due to a variety of factors. Egypt had provided leadership for the Arabs, but once it was removed from the Middle East equation, after the signing of the Camp David accords, the core group of Arab nations was left highly exposed.

Individually, none was strong enough to stand up alone against such tightly organized, homogeneous and highly motivated armies as those of Iran and Israel. At the same time, they proved to be incapable of collective security.

But there was a deeper military

problem as well, which relates to the question of leadership. Unlike Israel — and even Iran in its own way — many of the Arab countries are dominated today by men who came to power by force of arms. They will stop at nothing to stay there.

For President Saddam Hussein of Iraq or President Hafez al-Assad of Syria, preservation of the regime against internal threats takes precedence over everything. If military preparedness has to be sacrificed so that loyal supporters of the regime are put in sensitive posts, that is what is done.

How was it that Israeli pilots were able to claim they shot down 101 Syrian fighter planes, without losing one of their own? Soviet-made aircraft are simply not that inferior.

Arab diplomatic sources said a primary reason was that the Syrian regime in recent years had made a decision to recruit pilots almost exclusively from among the nation's minority Alawite sect, which makes up only about 10 percent of the country's mainly Sunni Moslem population.

Mr. al-Assad is an Alawite, as are almost all key figures in his government and army. After several Sunni Moslem pilots defected with their planes to Jordan and Iraq as expressions of political opposition, Mr. al-Assad apparently decided to depend on the small pool of Alawite talent for his air force.

How was Iraq able to bungle the tremendous military advantages it had against Iran?

Does it have something to do with the fact that, although the Iranians purged their armed forces, they allowed what remained to function as a professional army with a reasonable meritocracy?

The Iraqi Army, by contrast, is commanded by Lt. Gen. Adnan Khairallah, who happens to be a cousin of President Hussein. May be the general also happens to be the most able military leader in Iraq. But maybe not.

Evenly Split Poll

However, of the 76 percent of the respondents who had heard of the fighting in Lebanon, 34 percent said Israel had been right in its attack while 38 percent said Israel was wrong; 28 percent chose neither side.

No large U.S. organization has come out against the Israeli action. Murray Wood of the Los Angeles Jewish Federation said last week that he had a letter from a benefactor stopping contributions, but they were few and far between.

"I can't perceive we have the division that you read about on the East Coast, and the more that division is portrayed as being a reality, the more it will give the PLO incentive to hold on. It's a dangerous situation," said Mr. Wood.

Rabbi Brickner rejected this argument. "Everybody knows the PLO has been completely humiliated," he said. "To say we are helping them is the kind of argument that's trying to make everybody march in lockstep. It's 'My country right or wrong,' but I've never adopted that for America and I'll be damned if I'll adopt it for Israel."

## Reagan Seen Favoring Grain Sale

(Continued from Page 1)

men from agricultural areas were apparently not timid Thursday in reminding Mr. Reagan that farmers supported him heavily in 1980, largely because he promised to lift former President Carter's embargo on grain sales to the Russians.

"The Republican representatives all argued for a long-term extension," said a participant in Thursday's meeting with the congressmen. Later, Cabinet officials warned the president that if he allowed the grain sale agreement to lapse altogether, Congress might respond with a farm bailout bill that could disrupt the budget.

Rep. Michel hinted that Repub-

licans in Congress were probably naive to expect Mr. Reagan to endorse negotiations for a new agreement. "By the same token," he added, "we could have some leverage if there were simply an extension for a year."

Russia Silent on Harvest

MOSCOW (Reuters) — The Soviet Union omitted figures on the 1981 grain harvest from an annual statistical report issued Friday, indicating that the drought-hit crop was seriously below target.

The report listed other agricultural production totals first published in the press five months ago,

but the grain figure, which has been surrounded by secrecy, did not appear.

Unofficial Soviet and Western estimates of the crop range from 150 million to 175 million metric tons, compared with a target of almost 240 million tons.

West Java Volcano Erupts

The Associated Press

JAKARTA — New eruptions of the Mount Galunggung volcano in West Java has damaged hundreds of homes, school buildings and other structures, officials in the city of Bandung said Friday. The volcano has been erupting intermittently since April 5.

## Soviet Aide Sees Danger in Reagan Foreign Policy

MOSCOW — A senior Soviet expert on the United States accused the Reagan administration Friday of "playing with fire" in its foreign policy but held out hope of an improvement in East-West relations.

Georgi A. Arbatov, head of the Soviet Institute for the United States and Canadian Studies, said President Reagan had caused dismay in the Soviet bloc and among Washington's allies since he took office 18 months ago. His remarks were carried in Pravda.

"The course of confrontation between the United States and the Soviet Union is creating an atmosphere, an international situation that favors the outbreak and the deepening of conflicts. This is playing with fire and it is dangerous for all, including the instigator," he said.



OATH OF OFFICE — George P. Shultz, with President Reagan at his side, was sworn in Friday as secretary of state by Attorney General William French Smith in the White House Rose Garden. Mr. Shultz's nomination was unanimously confirmed by the Senate Thursday.

## WORLD BRIEFS

### Rev. Moon Gets 18-Month Jail Term

NEW YORK — The Rev. Sun Myung Moon, founder and leader of the Unification Church, was sentenced Friday to 18 months in prison and a \$25,000 fine for tax evasion. Mr. Moon could have been sentenced to up to 14 years in prison.

U.S. District Judge Gerard N. Goetz said he decided on a prison term "despite eloquent pleas for leniency" because a suspended sentence would be severely criticized by the public. Mr. Moon's \$250,000 personal recognition bond was extended, pending appeal.

Mr. Moon, 62, was convicted of conspiring to evade taxes from 1973 to 1975 on about \$112,000 in interest earned on personal bank accounts; of failing to report \$50,000 in shares he received in a profit-making venture; and of filing false returns. Mr. Moon had claimed that the money and stock were not personal assets but came from followers who wanted him to hold the valuables in trust for church purposes.

### Moscow Ends Direct Dialing to West

MOSCOW — Western countries complained Friday to the Soviet Union about the abolition of direct telephone dialing to the West, which took effect Thursday.

Diplomatic sources said a representative of Denmark had asked the Soviet Foreign Ministry for an explanation of the cutoff. The Danish diplomat said the halt in direct dialing, which was introduced into Moscow two years ago for the Olympics, would affect foreign embassies, businessmen and journalists.

Diplomats said Austria also complained Friday and other European states might follow suit. Some Western countries were told that the number of phone connections with the Soviet Union would be cut July 1, but they were not on that date. Direct calls from the West to Moscow were still possible Friday, and direct dialing from Moscow to Eastern Europe appeared to be unaffected.

### British Rail Stiffens Dismissal Threat

LONDON — British Rail, backing up its threat to fire 20,000 striking train engineers, said Friday that it was ready to begin hiring and training their replacements if the strikers do not return to work by Tuesday.

Officials said it would take three to six months to train new engineers, and they warned Britons that in the meantime they would be without nationwide rail service.

The strike by the Associated Society of Locomotive Engineers was in its 13th day with railroad officials serving notice that they were ready to use the same tactics as President Reagan did to break last summer's strike by U.S. air-traffic controllers. Meanwhile, Britain's powerful Trades Union Congress met to consider a request by the engineers' union for "tangible" assistance in their dispute with railroad officials over work schedules.

### Britain Plans Palace Security Officer

LONDON — A high-ranking police officer, equivalent to brigadier general in the army, will be appointed to improve security at Buckingham Palace and other royal residences following the entry of a prince into Queen Elizabeth II's bedroom, government sources said Friday.

Home Secretary William Whitelaw will make a full statement to Parliament Wednesday, disclosing all available information about the incident and announcing plans to tighten palace security, the sources said. Mr. Whitelaw will also release a report listing past security breaches at the palace and steps taken to deal with them.

Cyril Hunt, the 27-year-old police sergeant who was on duty in the palace on the night of the incident, has been suspended while his conduct is investigated and two plainclothes officers have been transferred to unformed duty elsewhere.

### Chinese Hints at Wider Reunification

PEKING — A high-ranking Chinese leader indicated Friday that a clause in China's new draft constitution provides a legal basis for the reunification of China with not only Taiwan but also with Hong Kong and Macao.

The Chinese press agency quoted Peng Zhen, a senior Politburo member, as saying that China's "compatriots" in Taiwan, Hong Kong and the Portuguese colony of Macao should all engage in a thorough discussion of the draft, which was first published in April.

The clause states that China may set up special administrative regions operating under different laws from the rest of the country, which would refer to non-Communist systems. The clause has been seen as relevant to Taiwan, but Mr. Peng's statement made it clear that it could equally pertain to Macao and the British colony of Hong Kong.

Compiled From Agency Dispatches

## Gains for Jaruzelski Seen in Polish Shuffle

Compiled by Our Staff From Dispatches

WARSAW — Stefan Olszowski, a hard-liner on the Communist Party Central Committee, quit his post unexpectedly Friday amid a major party leadership shuffle that appears to strengthen the grip of Poland's martial law ruler, Gen. Wojciech Jaruzelski.

The press agency PAP said that Mr. Olszowski, who was responsible for ideology and media, resigned from the Secretariat but retained his post on the ruling Politburo.

Mr. Olszowski had been considered as a major contender for the party leadership. His resignation came as several other prominent party officials resigned and several party members were moved to the top party ranks.

The leadership changes in the Politburo, the policy-making Central Committee and the Secretariat, which runs the party apparatus, are the most extensive since martial law was imposed Dec. 13.

The unexpected resignations of Mr. Olszowski, Central Committee member Hieronym Kubiak and Politburo member Jan Lubecki came at the end of a two-day meet-

ing of the committee here devoted to problems of youth.

The leadership changes recalled the turbulent party meetings last year during the labor crisis sparked by the birth of the suspended Solidarity independent trade union during the shipyard strikes in Gdansk in August, 1980.

Among those who rose to power during that period were Mr. Lubecki, the party chief in the Gdansk shipyards, and Mr. Kubiak, a liberal from Krakow who ran the cultural and scientific apparatus.

The press agency said Mr. Kubiak retained his post on the Politburo.

Another Central Committee member who resigned, Marian Wozniak, was made a full member of the Politburo, as was Stanislaw Kalkus, a newcomer who is a former in the Cegielski works in Poznan, in western Poland, where scores died during 1956 rioting.

The additions of Mr. Wozniak, party chief in June, and Stanislaw Bejger, an alternate member of the Politburo, appears to strengthen Gen. Jaruzelski's rule, some observers said.

Prior to the leadership changes, the two-day Central Committee meeting had been largely uneventful.

Earlier Friday, Poland's interior minister, Gen. Czeslaw Kiszczak, was reported by a magazine to have said that martial law authorities granted 1,058 passports to people who had been interned and their families. But he added, in an interview published in the weekly Polityka, that only 21 internees had left the country because of "reluctance of consulates of Western countries to grant visas."

In an interview to be released Sunday in the U.S. magazine Parade, Gen. Jaruzelski said the U.S. government's economic sanctions have forced Poland closer to the Soviet Union.

He also said that martial law will not end soon, but will be relaxed gradually, and that the quick release of Solidarity independent trade union leader Lech Walesa and other interned union members would mean catastrophe. The government's policy, the general said, is to relax martial law and release prisoners gradually and seek to improve the economy and win credibility among the Polish people.

Kenyan Lecturers Arrested

United Press International

NAIROBI — Two university lecturers, Edward Oyugi and Kamuk Wachira, have been arrested, bringing to 11 the number of prominent Kenyans detained in a mounting political crackdown.

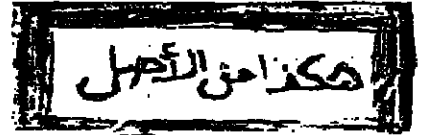
## ADOPTION SERVICES

We are a licensed adoption agency now accepting applications for adoption of children born in the U.S.A. For information, please write or call:

FRIENDS OF CHILDREN, INC.  
4325 Memorial Drive  
Decatur, Georgia 30032, U.S.A.  
Telephone: (404) 294-9000.

**ZURICH'S BEST**  
der nachtclub mit ambience  
**terrasse**  
im untergeschoss des 5. stg.  
best food, best fun,  
best shows (22.30 bis 1.30 h)  
wellness-programm  
bis 2 h morgens

**HARRY'S N.Y. BAR**  
Est. 1911  
5, rue Drouot, PARIS  
Just off the taxi driver  
"follies" too close to  
or Folies-Bergere Str. P. Munich  
or N.Y. Ave. at see





## Critics Say U.S. Agency Misinterpreted Data on Soviet Rise in Imports

By Robert D. Hershey Jr.  
New York Times Service

WASHINGTON — In asserting that the Soviet Union has become more vulnerable to economic sanctions, the U.S. government has misinterpreted its own data, various outside trade specialists assert.

Despite such criticism, however, the authors of the U.S. Census Bureau report said they are not unhappy with the official interpretation that their work suggests greater Soviet vulnerability.

"The critics of the Reagan administration's interpretation," expressing doubt about what they called the "politicization" of high-quality study of the Soviet economy, said the Census Bureau director overreached to stretch findings of greater Soviet involvement in international trade into a comparable vulnerability to economic pressure from abroad.

"That's a heroic leap in logic," asserted John P. Hardt, associate director of the Congressional Research Service and a specialist in Soviet economic affairs. He noted that the Census Bureau study, excerpts of which were published on Monday, did not directly deal with the issue of vulnerability.

Another critic, Edward A. Hewett of the Brookings Institution, declared, "I think the numbers are right, but the interpretation is far-fetched." He called it ludicrous for the Census Bureau director, Bruce Chapman, to portray

the Soviet Union as significantly more vulnerable to sanctions than before.

The Reagan administration has imposed, and recently tightened, sanctions against the Soviet Union in an effort to exert pressure for liberalization in Poland as well as to hamper construction of a natural gas pipeline from Siberia to Western Europe.

The authors of the Census Bureau study insist that whether sanctions should be imposed is a policy question to be made by others. "The report doesn't suggest there should be trade sanctions, but it's safe to say it shows the vulnerability," Mr. Chapman commented.

"I don't think right now he's been trying to take it too much further," said Barry L. Kostinsky, a Census Bureau employee who wrote the study with Dr. Vladimir G. Treml, a Duke University professor.

Dr. Treml asserted Wednesday evening that "increased dependence on imports means increased vulnerability."

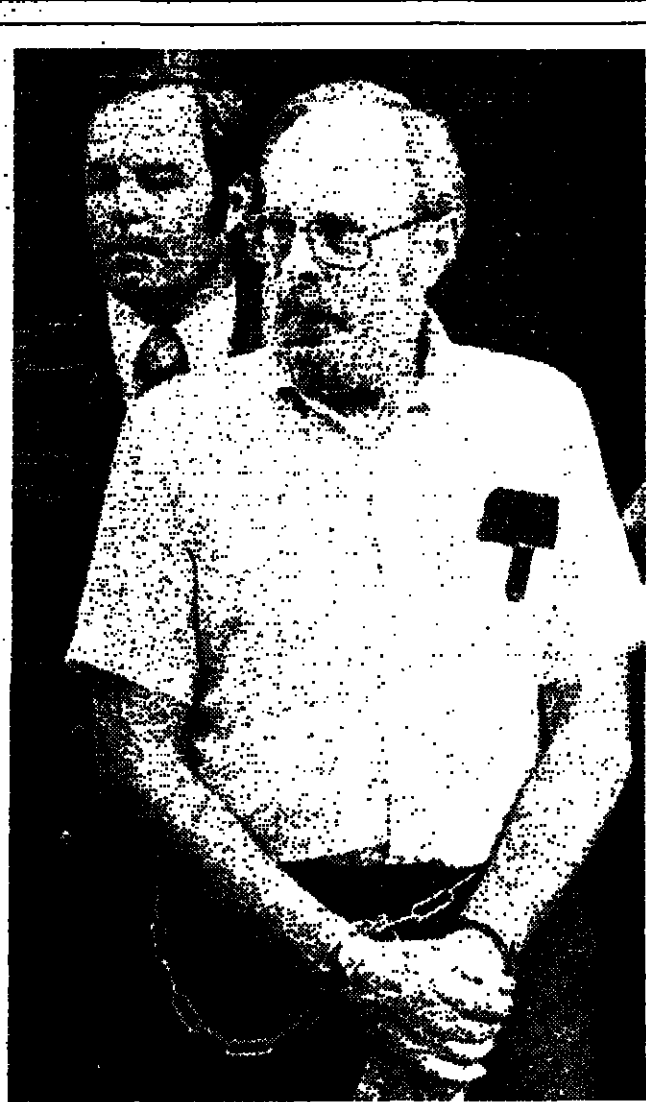
The House Foreign Relations Committee was reported ready Wednesday to conduct hearings on the question.

The critics insist there is a vast gulf between dependence on foreign trade — the study declares Soviet dependence to be two to three times greater than previously believed by Western analysts — and the practical effects of trade leverage.

The interpretation is really unrealistic," maintained Jan Vanous, a specialist at Wharton Economic Forecasting Associates. While praising the quality of the research work, Mr. Vanous held that the study does not even provide reliable information about the degree of Soviet trade dependence, since the best measure of dependence, he said, is not the ratio of exports or imports to national income.

Among the Census Bureau findings is that the ratio of imports to Soviet national income more than doubled during the 1970s and imported machinery comprises from 15 percent to 20 percent of all new equipment.

Theoretical assessment of Soviet economic dependency "is no easier than it was a decade ago," Mr. Hewett commented.



**WHITE'S ASSAILANT** — Newton C. Estes was escorted from court in Salt Lake City, Utah, after saying at his arraignment that he struck U.S. Supreme Court Justice Byron White on Thursday "to get my views heard" against busing and pornography. Justice White was unhurt.

## U.S. Atlantic Fleet Trims Operations To Save Money as Fiscal Year Wanes

NORFOLK, Va. — The U.S. Atlantic Fleet has called off a naval exercise, postponed a second and cut back on other operations because it is running out of money to operate ships in the last three months of the fiscal year, according to Navy officials.

The lack of funds to buy fuel has been caused by a large increase in operations throughout the year in the Mediterranean, the Atlantic and the Indian Ocean.

Although senior officials with the Atlantic Fleet stopped short of saying ships will have to remain in port, they say certain measures have been taken to ensure there will be enough funds to operate the fleet through September.

A four-week exercise involving 12 ships in the western Atlantic and the Caribbean has been canceled. Another series of maneuvers involving 30 ships in the Caribbean has been postponed until after Oct. 1, the beginning of fiscal 1983. Also, all nonessential port visits by ships have been stopped.

## Rare Disease Afflicts More U.S. Groups

Ailment First Detected In Homosexual Men

By Philip J. Hills  
Washington Post Service

ATLANTA — Another group of victims has been hit by one of the most unusual diseases ever recorded in the United States, a type of immune-system breakdown that started among homosexual men but now continues to spread to new populations across the country, according to doctors at the Centers for Disease Control here.

The agency announced Thursday that persons with the blood disorder hemophilia are now also vulnerable to the puzzling, and often fatal, ailment. The announcement came a week after the federal agency reported scores of new cases among Haitian refugees in the United States.

The disease, which agency officials have said is reaching epidemic proportions, is unlike any other reported in medical history. As of July 8, it had killed more than 177 of its 452 identified victims.

There is no name for the syndrome, which is characterized as immunosuppression. Scientists have described the disease as a breakdown of the body's immune system, with victims contracting many diseases typical of persons whose immune system has failed.

The leading killers among those diseases are a type of skin cancer called Kaposi's Sarcoma and a deadly pneumonia called pneumocystis carinii. Both diseases are normally quite rare, but they are now appearing in the population at several hundred times their expected rate.

"The number of cases is increasing, and the proportion of cases among people who are not homosexuals is also increasing," said Dr. Harold Jaffe, one of the leaders of the agency's task force against the disease. "Until about June we were getting reports of cases at the rate of about five or more per week. In the last six weeks, we have been getting 15 to 20 cases per week."

Last year nearly all the reported victims of the disease were homosexual men. Investigators suspected that an immune-suppressing drug or chemical that may have been in common use among homosexuals was the cause. But there are now 10 to 20 victims, men and women, who are not homosexual and seem otherwise healthy and drug-free.

## U.S. Democrats Want Equal Time To Counter Ad on Social Security

By Bill Peterson  
Washington Post Service

WASHINGTON — Contending that Republicans used "the big lie technique" in a television advertisement on Social Security, Democrats have countered with a commercial of their own, and asked stations to air it free of charge.

The 30-second Democratic ad features scissoring clips away at a Social Security card as a voice accuses Republicans of repeatedly trying to cut benefits. "It isn't fair," the voice concludes. "It's Republican."

The ad is in direct response to a Republican ad in which a white-haired mail carrier delivers Social Security checks containing an automatic 7.4 percent cost-of-living increase.

The checks, the Republican ad claims, show President Reagan kept his promise. It is now being shown around the United States as part of a \$10-million election year campaign.

The ad outages Democrats. House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts,

distributed a fact sheet Thursday pointing out that cost-of-living increases are mandated by law and that the Reagan administration proposed cutting Social Security benefits three times during the past two years.

"Small children caught with their hand in the cookie jar come up with more believable stories than the Democrats have done in their latest attempt to rewrite history," said William Greener, director of communications for the Republican National Committee, in a prepared statement.

Democratic leaders said Thursday that they have no money to counter the Republican commercial, but they urged television stations either to refuse the Republican ad or provide free time for their commercial.

"The Democratic Party cannot match dollar for dollar the Republican media buy, nor will it attempt to match them lie for lie," declared Rep. Tony Coelho, Democrat of California, who is chairman of the Democratic Congressional Campaign Committee. "If the Republican Party wants this

election to be decided by television commercials, so be it."

Opinion polls taken for both parties have found a widespread feeling of distrust among voters of Mr. Reagan's intentions on Social Security, and the Republican ad is apparently an attempt to neutralize the issue.

**Scissors Slash**

Democrats regard Social Security as one of their most promising issues. The voice on the Democratic ad says, as scissors slash:

"The Republicans all say they believe in Social Security... Look at what they do."

"In 1981 they tried to cut cost-of-living increases by \$60 billion over 10 years. In 1982 they said either increase Social Security taxes or cut \$40 billion to help balance the budget. When are they going to stop? Not until it hurts."

The U.S. Postal Service has complained that the use of a mail carrier in the ad represents an apparent violation of the U.S. Code and of the Hatch Act, which prohibits federal employees from taking part in partisan activity.

## General's Grip Is Firm After Guatemala Coup

By Raymond Bonner  
New York Times Service

GUATEMALA CITY — Four months after being swept into power by a coup he did not plan, Gen. José Efraín Ríos Montt is firmly in control in Guatemala. He has dissolved a three-man junta, named himself president and, under a state of siege imposed earlier this month, suspended many civil liberties.

The extent of opposition to his policies is difficult to assess, since freedom of expression was one of the constitutional guarantees suspended. But in interviews and casual conversations this week, Guatemalans, especially among the urban middle class, said that their lives under the state of siege were no worse than they had been under the regime of Gen. Fernando Romeo Lucas García, who was deposed in March.

**Insurgency Intensified**

All political and union activity is prohibited, and private gatherings are permissible only if they have been approved by the defense minister, Gen. Ríos Montt. Also, the military authorities can detain anyone suspected of "disturbing the public order," houses can be searched without a warrant and travel is restricted.

"If there is subversion, then at least there needs to be a state of siege," Gen. Ríos Montt said in an interview Tuesday.

A leftist-led, predominantly Indian insurgency has intensified in the past year, with rebel forces frequently occupying villages and operating in northern and western Guatemala.

Gen. Ríos Montt said that he thought the guerrillas would be defeated by December and that the state of siege would probably be lifted at that time, if not sooner.

In the meantime, he has the power to "militarize all services and activities" and to requisition private vehicles, including planes. Already, all former soldiers between the ages of 18 and 30 have been called to active duty.

Under the state of siege, too, press censorship prohibits the dissemination of news that "may cause confusion" or reporting anything about the civil war except what the government says.

And special three-man military courts appointed by the president have the power to try persons sus-

pected of violating the state of siege and criminal laws. Among the sentences these courts can impose is public execution. So far, there have been no reported executions under the new decrees, and Gen. Ríos Montt said in the interview, "I hope in God's name that there will not be any."

**Born-Again Christian**

The general, a born-again Christian who enthusiastically shares his moral convictions in public discourses and with foreign reporters, said that the state of siege was necessary to bring his government's conduct within "the framework of law."

The Constitution was operative during the Lucas government, Gen. Ríos Montt noted in the interview, but still "a lot of people were killed and bodies appeared in the streets and on the highways."

Describing Gen. Ríos Montt as "fanatic" and "messianic," a business leader, nonetheless, said that businessmen were generally happy with the situation. He said that restrictions on meetings had not been applied to business groups.

"He is absolutely honest," a physician said of the Guatemalan leader. This judgment is often expressed here. There were widespread reports of corruption in the Lucas administration.

**'Not Killing Us'**

After the coup, Gen. Ríos Montt began meeting with politicians to discuss a return to democracy. He has discontinued those talks, but, as one political leader said this week, "at least, they are not killing us." During the Lucas regime, more than 100 Christian Democrats were assassinated.

"What worries me most," this



Gen. José Efraín Ríos Montt

politician said, "is that the army is killing all the Indians they find."

Roman Catholic priests, foreign diplomats and many Guatemalans say that the killing of the Indians, who make up 60 percent of the population, has increased since the coup.

## Severe Winds Preceded Jet Crash

Other Pilots at New Orleans Had Problem With Takeoff

By John Burgess  
Washington Post Service

WASHINGTON — Pilots of a Republic Airlines DC-9 that took off from New Orleans about five minutes before the Pan American World Airways jet that crashed last Friday said that their plane encountered severe winds on the runway and that its stall-warning device activated at liftoff, a National Transportation Safety Board spokesman reported.

Crew members of Republic Flight 632 to Memphis told board investigators that as they moved away from the airport, they received a message to air controllers about the strong winds on the runway but not about the stall warning.

Investigators said that it is not clear how, if at all, controllers in the tower at New Orleans International Airport followed up the pilots' radioed warning or whether it was heard by Pan Am Flight 759, which was preparing for takeoff on another runway at the time.

Pan Am's fully loaded Boeing 727 took off shortly after five minutes after the Republic plane

and crashed after about 30 seconds in the air, killing 146 crew members and passengers and eight persons on the ground in a residential area of suburban Kenner, La.

The Republic crew's report could support the theory now dominant among investigators that "wind shear," violent changes in wind speed and direction, played a major role in the crash.

Stalls occur when air is moving upward over a plane's wings as if the aircraft were losing altitude. That can happen when wind speed or direction changes suddenly.

A stalling plane is actually falling out of the air, and commercial jets are equipped with "stick shakers," devices that rattle the main control stick to warn pilots that the plane will stall if speed is not increased. Pilots say activation of the stick shaker, as happened aboard the Republic DC-9, is unusual and serious, especially at low altitudes where a plane has little chance to recover from any loss of control. Two pilots interviewed Thursday night said they had experienced stick shakes but were able to fly out of them.

Investigators are still trying to determine precise weather conditions at the time of the Pan Am crash.

Twice within minutes before the plane took off, wind shear detection devices operated by the airport had picked up signs of the dangerous condition. These warnings were broadcast over two frequencies, investigators say, but it remains unclear whether the Pan Am crew heard them.

The pilot and co-pilot of the Republic jet told investigators they took off heading south. About one-third of the way down the runway, they said, they ran into sheets of rain. Then they noticed unusual fluctuation in the plane's air speed, which may have been caused by rapid changes in the speed or direction of air around the plane.

As the pilot put the plane's nose up for liftoff, the stick shaker sounded. But they got off the ground and after that the plane climbed normally. Shortly afterward, the pilots sent a brief message back to the tower saying they had encountered wind shear on the runway.



Phyllis McCallers, wife of the pilot of the Pan Am jet that crashed near New Orleans, at his funeral in Vero Beach, Fla.

## Michael Blankfort Dies; Wrote Novels, Scripts

LOS ANGELES — Michael Blankfort, 74, a New York-born novelist, playwright and screenwriter, died Tuesday in Los Angeles.

Blankfort graduated from the University of Pennsylvania and moved to Los Angeles in 1937, where he became a screenwriter. From 1942 to 1945 he served as a captain in the U.S. Marine Corps, writing training films. He returned to Hollywood to write such films as "Broken Arrow" and "Tribute to a Bad Man," and was co-writer of the screenplay for "The Caine Mutiny."

He had served as an officer of the National Writers Guild and the Academy of Motion Picture Arts and Sciences.

**Patrick Dewaere**

PARIS (IHT) — Patrick Dewaere, 36, one of France's most popular film personalities, was found dead in his apartment from a bullet wound in the head Friday, police said.

Mr. Dewaere, from a theatrical family, gained fame in France with his acting in the film "Valérie." He often portrayed drifters and lost souls, such as in "Adieu l'ami" (Good-bye, Cop), "Hotel des Amériques" and "Mille milliards de dollars" (A Thousand Billion Dollars).

**Patricia Brinton**

ELBA, Italy (IHT) — Patricia Brinton, 56, died at her summer



Patrick Dewaere

home here Friday from cancer. She was married to the Yugoslav writer Komnen Bezovic.

Miss Brinton had a distinguished career as a performer on European concert and opera stages and as a teacher in Vienna and Paris.

**Howard Strickling**

LOS ANGELES (LAT) — Howard Strickling, 62, the publicist who created the image of many of Hollywood's biggest stars, died here Wednesday.

**Jo-Ann Price**

NEW YORK (IHT) — Jo-Ann Price, 57, former religion editor of The New York Herald Tribune and a correspondent for the National Catholic News Service, died here of cancer Thursday night.

Miss Price, a native of Calgary, Canada, was the wife of Harry Baehr, who retired in 1976 as the International Herald Tribune's editorial writer.

## Japanese Group Says Chun Regime Increasingly Tortures Detainees

By Henry Scott Stokes  
New York Times Service

TOKYO — A 23-year-old South Korean theology student has charged at his arrest trial in the southern city of Pusan that authorities tortured him in order to fabricate an indictment falsely depicting him as a Communist sympathizer.

The case of the defendant, Moon Boo Sik, is cited here by a Japanese church publication in a report charging that torture is increasingly used by South Korea "investigative and prison officials" against political detainees.

"The use of torture today is, if anything, more systematic and brutal than at any previous time in modern Korean history," said the latest issue of Korea Communiqué, a magazine published by the Japan Emergency Christian Conference on Korean Problems, an affiliate of the Japanese National Council of Churches. The conference's staff is composed of Japanese and Americans.

The magazine, dated June 15,

said torture had been "documented in virtually every instance of political detentions in recent years, spanning the transfer" of power from President Park Chung Hee's "increasingly repressive rule" to that of the current president, Chun Doo Hwan.

Church spokesmen and some newspapers in South Korea have also denounced the use of torture, but not so outspokenly and with such detail as the Japanese church publication.

Government-controlled South Korean newspapers have assailed Mr. Moon and the 15 other defendants in the Pusan trial, charging that they pursued Communist causes. The papers also accused the Korean Roman Catholic Church of backing supporters of the aims of North Korea.

Mr. Moon went on trial June 14 on charges of setting fire to the American Cultural Center in Pusan in March. One person was killed and three were injured in the blaze, which was said to have caused \$200,000 in damage.

The defendant has admitted setting the fire. He has been quoted as saying that he did so to protest what he viewed as U.S. support for Mr. Chun. But the 13-page indictment also accused Mr. Moon and his wife, Kim Un Suk, of being Communist sympathizers bent on the violent overthrow of the South Korean leader.

Government spokesmen in Seoul denied that police had used torture in the case.

**Torture Reported**

But Mr. Moon testified at the trial that the pro-Communist statements attributed to him had been obtained through torture, saying investigators forced water down his throat and then kicked his swollen stomach.

Two other defendants testifying on the same day said they also had been forced to give self-incriminating statements, but they did not say what methods had been used.

**LA BOUTIQUE DANOISE**  
(at Exelle)

Gifts - Furniture - Lighting - Rugs - Material  
Silverware - Jewelry - Porcelain - Glassware

42, Avenue Friedland - 75008 PARIS.  
Tel.: 227 02 92 - 267 54 91

Expert Discount & Shipment Abroad

**JAZZ AT THE CASINO DE PARIS**  
JEAN MEJEAN - DENIS DARGENT

UNTIL JULY 25

17: MANU DRANGO  
18: STAN GETZ  
20: SUN RA ARKESTRA  
23: ZAKA PERCUSSION  
M'AMINA  
GABO VERDE  
24: KALAM  
25: CARLA RILEY

LOCATION AT THE THEATRE  
16, rue de Clugny (17)  
et 3 rue - EDOUARD  
SENAT TOURNAISE BOULEVARD  
INFORMATION: 271.14.66

**BVLGARI**

ROMA - VIA DEL CONDOTTI  
NEW YORK - HOTEL BELLEROS  
PARIS - 86, RUE DU RHONE  
MONT-CARLO - AVENUE DES BEAUX-ARTS  
GENEVE - HOTEL PLAZA ATHENES



# Herald Tribune

Published With The New York Times and The Washington Post

## Reagan's Pipeline Blunder

From THE WASHINGTON POST:

President Reagan's campaign against the Soviet gas pipeline has every attribute of bad policy. It will not prevent construction of the line; at most it can only cause a limited delay. The West German banks have now formally extended the loans. The Soviets will get the pipe. Western Europe will get the gas. The United States will get the losing end of a ransom and a divisive quarrel with its friends.

That quarrel gives the Soviets an unexpected dividend in the pipeline deal. The United States has gone well beyond the conventional limits of an embargo. Mr. Reagan is trying to apply it retroactively, voiding sales that were perfectly legal when they were made. Worse, he is trying to reach across national borders to impose U.S. law on foreign companies through their American owners or through license to American technology. The Europeans, Japanese and Canadians consider this to be a challenge not only to their foreign policies but to their sovereignty.

American presidents before Mr. Reagan have tried it, and there is a long history — of which the White House seems serenely unaware — of outrage in other capitals. In a press conference last week, Canadian Prime Minister Pierre Elliott Trudeau acidly observed that European can see in the pipeline case why Canada has been taking extraordinary steps to protect its sovereignty. Canadians point out that the United States wants its

companies abroad to be treated on the same terms as locally owned companies, yet it also occasionally wants the right to use them as instruments of foreign policy and to impose American law regardless of any conflict with the host country's law. Canada is currently screening all new foreign investment and imposing discriminatory rules on foreign — that is, American — oil companies.

The damage done by the assertion of extra-territorial control is cumulative, and as the Canadian reaction shows it can be highly damaging to American business abroad. But even more dangerous, these American claims strengthen all of the protectionist tendencies in governments abroad. They give those countries reasons not to allow American technology and American investment in the crucial sectors since, as the argument goes, you can never tell when the United States will try to use them to push you into line with American foreign policy.

You have probably seen the forecasts of another huge American grain harvest and another disastrous one in Russia. Of course the United States is going to continue selling grain to the Soviets — and in a big way. As long as the United States sells wheat to the Soviets, Europeans will decide American efforts to disrupt their trade with the East. Steel tubing and natural gas, after all, are hardly in the same class with the most sensitive of strategic commodities, grain.

## Deciding When Not to Fly

From THE NEW YORK TIMES:

When should pilots fly in bad weather? Two alerts of hazardous winds were broadcast by the New Orleans airport tower in the 10 minutes before the Pan American World Airways plane took off on its short, disastrous flight last Friday. If the crew were listening, they should have heard them.

Why do pilots take off in what seem to be marginal weather conditions? Who should decide whether the weather is flyable?

A guiding principle of the present air traffic safety system is that the man in the cockpit makes the decisions. The principle warrants re-examination.

Most pilots correctly decide not to take off if they have any doubts about safety. The problem arises in those rare instances when human factors cause a pilot to call a close decision the wrong way. Pilots work under

many pressures, among them the urge to get wherever they are going and the natural tendency to assume that conditions are adequate if planes ahead are taking off safely.

The decision to take off in bad weather might better be made in the control tower, by a trained pilot assisted by a meteorologist. He could focus on safety and weather without distraction. Until instruments are available that give the pilot cockpit information about local wind shear, a control tower observer could more easily weigh the meteorological data from moment to moment.

Pilots prefer to concentrate responsibility in the cockpit; that makes them better able to resist the wage erosion caused by the oversupply of pilots. In the air they must have full command. But there may prove to be sound reason for taking this on-the-ground decision out of their hands.

## The Cause of the Bui Doi

From THE NEW YORK TIMES:

The cause of the pitiful *bui doi*, the dust children of Southeast Asia, has been advanced by a surprising benefactor, the foreign minister of Vietnam. It is an opening that the U.S. Congress has a duty to seize.

The dust children of Vietnam, like the offspring of GIs and other Americans elsewhere, are blond, or black, or blue-eyed, or round-eyed; visibly Western. Many are harassed. Many are left to run the streets. Even those whose mothers struggle to get them into the United States cannot come. Vietnam will not let them out. America will not let them in.

Now, however, Foreign Minister Nguyen Co Thach says his country is ready to let out the 8,000 American children in Vietnam. He no longer insists their fathers first admit to paternity, a condition that barred most. He says only that Congress must pass pending legislation permitting the children's entry.

Perhaps it is a mistake to call all this a *bui doi*, a "mist" or "fog" of confusion in mind. Vietnam needs no license from the U.S. Congress. It could simply let the children go and force American officials to scramble to admit them as refugees.

But it is more likely that Thach means

what he says. Refugees are, by definition, fleeing persecution; for the children to be labeled refugees would paint Vietnam as a persecutor in world opinion. Legislation would provide a neutral remedy, extending to Amerasians the priority status to which children of Americans are entitled.

Some argue that so long as Vietnam says no, the legislation is meaningless. If Thach is sincere, that argument is collapsed. But even if he is not, the case for action remains compelling. To eliminate the obstacle at the American end would put the *onus* squarely on Vietnam. And there is a more important argument for the bill. There are American children also in Korea, Thailand, Laos, even Cambodia. Whatever happens in Vietnam, legislation would be required for them to come to America.

The enemy now is time. There are not many legislative days left in the 97th Congress. Before adjourning to campaign, it must still set on tax increases, spending cuts, clean air, bankruptcy — not to mention the big immigration bill. In other words, time is running out for America to claim its children.

They will always, indelibly, be American. They will not long remain children.

## Other Editorial Opinion

### Khomeini vs. the Arabs

If Khomeini's invasion [of Iraq] does not shake the Arab world into great unity, nothing will. The trouble is that most of the Arab states are feudal despotisms. Their populations include large elements, predominantly the Shiite Muslims, for whom Islamic fundamentalism as espoused by Khomeini has great appeal. The particularly apocalyptic but also to all the Gulf states, including Saudi Arabia. The dangers to Western oil supplies, if the revolutionary fire spreads, are only too obvious. Khomeini's lunge may fail, or cause upheaval inside Iran. It would be foolishly optimistic to count on it.

—The Daily Telegraph (London).

### Tax-Free Floating Trappings

Some wealthy Americans are determined to see that the first family is outfitted with royal-like trappings while they reap a hefty tax break for their efforts. A group of 50 individuals and corporations calling themselves the Admiralty Review Board contributed more

than \$1 million to purchase the 104-foot yacht *Sequoia* and return it to its former status as the official presidential yacht. Another \$350,000 to \$500,000 has been spent refurbishing and redecorating the yacht.

The White House, to its credit, has said President and Mrs. Reagan have no plans as yet to use the yacht. The rub is that the contributors not only will get a tax write-off but can use the palatial yacht for their own excursions for four months of the year.

The IRS stipulated the generous terms, which require that the yacht be available to the president and other officials for another four months of the year, and for national public functions during the remaining third.

It is more than unseemly for groups such as the Admiralty Review Board to lavish tax-free dollars on unnecessary projects like the *Sequoia*, when so many health and social service programs are being cut back.

To the IRS, we say, enough is enough. The IRS has no business approving a Presidential Yacht Trust which allows the wealthy special access to a floating White House.

—The Quincy (Mass.) Patriot Ledger.

## JULY 17: FROM OUR PAGES 75 AND 50 YEARS AGO

### 1907: Armed Debt Collection?

PARIS — Today's editorial in the *Herald* reads: "Gen. Horace Porter's proposition touching the collection of debts by armed force is meeting with some opposition at the Hague. The proposal is designed 'to prevent conflicts between nations arising from debts contracted or sums claimed as due,' and it stipulates that military or naval operations for the recovery of such debts shall be resorted to only after an offer of arbitration has been made by the creditor and refused by the debtor. Brazil, Mexico, Haiti and Cuba are said to favor its acceptance. But Argentina, Bolivia, Guatemala, Nicaragua and Panama maintain that the use of armed force should be prevented in any circumstance."

### 1932: MGM Cuts Stars' Pay

NEW YORK — Broadway missed a heartbeat when one of the thundering Joves of moviedom announced salary cuts destined to dim the glitter of some of the brightest stars. The names of Barrymore, Shearer and Davies appear side by side with Buster and Schnozzle in the list, which will affect every player in the employ of Metro-Goldwyn-Mayer. Norma Shearer will lose some \$1,500 a week by the order that cuts all MGM employees earning more than \$1,500 weekly 35 percent. John and Lionel Barrymore will have to take \$1,625 instead of \$2,500 a week. The Great Garbo alone, who had been receiving the modest sum of \$6,000 a week, will not be affected, as her contract is ended.

BEIRUT — When Israel invaded Lebanon on June 6, the Begin government expected to achieve its military objectives in less than a week with Israeli casualties of no more than 100. Western intelligence sources say. By this weekend, Israel's dead and wounded had passed 1,200, civilian casualties had scored far beyond 10,000 by some estimates, and there was no clear settlement in sight, despite weeks of nonstop negotiations. What went wrong?

Israel could have had — and can still have — its military victory if Beirut's fate is decided by generals and not politicians. There is no one, including the PLO leader, Yasser Arafat, who has any illusions about what the results of an Israeli assault on the capital would be.

But Israel appears to have underestimated the political resolve and military tenacity of the PLO, and in doing so it set an unrealistic timetable, believing it would solve in a couple of weeks a problem that has been fermenting for 34 years.

Contrary to a popular thesis in Beirut, the PLO did not fight well;

courageously in many cases, yes, but not well in any traditional military sense. The PLO's resistance was neither properly planned nor professionally executed. The PLO did not protect its civilians, and it effectively lost its command structure in a matter of hours.

Even today, with Israel's awesome war machine on Beirut's doorstep, the PLO guerrillas represent not much more than a shattered defensive force waiting to die — a force whose fate is being negotiated by U.S. statesmen who do not even recognize the existence of the PLO.

It is, though, precisely because of this untenable position that Arafat has been able to prolong the war, sending mixed signals over what concessions he will or will not make and raising his demands at the 11th hour in an attempt to exact some political victories from the jaws of military defeat.

Given a choice between death and surrender, Arafat has nothing to lose by trying to hold on for the best deal possible, and he and his

guerrillas seem quite prepared to die rather than accept a dishonorable defeat. Unlike the Iranians, they are not religious zealots. They fight for their own name, not Allah's. Still, they consider their cause no less sacred.

The war also has dragged on because of the Arab world's inability to reach a consensus and its unwillingness to offer the PLO assistance; and because Washington refuses direct dialogue with the PLO, a position that appeared to make the United States little more than a postman for Israel in the early stages of negotiations.

About the only concrete Arab suggestion to end the war came from Libya's Moammar Qadhafi, who called on the PLO to commit suicide in order to create a generation of martyrs. Syria and Kuwait voiced similar statements, couched in slightly less blunt terms, by urging the Palestinians to stay and fight to the last man.

Syria, annoyed because it had been ignored in the peace process,

took some pleasure in derailing the negotiations last week with its refusal to accept any PLO guerrillas who leave Lebanon. Syria may reverse itself if the price is right, but its rejection served to delay further what seems to be a certainty — that the PLO has lost its home in Lebanon and must leave.

Israel finds itself in much the position America did in Vietnam. It has the muscle to finish the job if the only solution it wants is a military one. But in the quicksand of Middle East affairs, a political solution imposed by force is no more lasting than yesterday's promises.

The United States thought it could bomb the Viet Cong into submission and the Viet Cong are still there today to prove the theory wrong. Israel is learning a similar lesson here with the Palestinians, in a war that for the first time has made Israel an offensive power.

Like all wars, this one was easier to start than it is to end. Like most wars, this one was built on a faulty premise: that bombs alone could achieve a lasting political solution.

Los Angeles Times.

## Politics Upset a Blitz Timetable

By David Lamb

## Arafat: 'Palestine for You and for Us'

By Uri Avnery

The writer is publisher of the Israeli weekly *Hahinukh* and a leader of the *Sheli Party*. He was a member of the Knesset until 1973 and again from 1977 to 1981.

TEL AVIV — I had been asking to interview Yasser Arafat since I first met Said Hamami, the PLO representative in London, eight years ago. "The time is not ripe," was the standard answer. Now, in the private apartment of one of his assistants, I met him.

He is very different from his television image: informal, friendly and soft-spoken. We talked for two and a half hours.

The interview was quite clearly a signal to the Israelis. The old slogans were still there, but the message was unequivocal: Peace now is possible.

Mahmoud Labadi, a PLO spokesman, was also present. Here are excerpts from the conversation:

Avnery: I think this war happened because the great majority of Israelis, who I think are basically peace-loving people, have become convinced by our official propaganda that the PLO does not really want peace.

Arafat: The PLO? You know, it is not so. We have declared our approval for the [American-Soviet] communiqué in October, 1977. [It] proposed a reconvened Geneva conference to safeguard the existence of Israel and the right of the Palestinians; it brought strong Israeli objections and was overtaken by events when President Anwar Sadat visited Jerusalem [the next month]. We have declared our approval and appreciation for President Brezhnev's initiative [of last year]. Avnery: The Brezhnev initiative says the security of all states in the area, including Israel,

which it explicitly mentions, will be safeguarded.

Arafat: You see, when we have said O.K. to this initiative, this means that we accepted all its items. We said that it is a good platform for a peaceful settlement, for a just solution in the Middle East. So we gave many signals that we are looking for peace.

Labadi: Mr. Avnery has proposed in 1970 a federation of Semitic peoples, a Semitic union.

Arafat: Inshallah. [If God wills it.]

Avnery: You see, I believe that in the end, after everything is finished, there should be an Israeli state and a Palestinian state, with its capital in East Jerusalem, and a general regional organization unifying all Arab states and Israel together in one economic and political union.

Arafat: Abba Eban proposes a *Bunelux*. Yes.

Avnery: If there is a chance for an honorable move, where do you think it is possible to go?

Arafat: To Palestine.

Avnery: I mean tomorrow, not next year.

Arafat: To Palestine. It is my right... You think that you have the right to go there and I

have no right to come back? I am a human being. Where to, except my homeland? I want to go to my homeland.

Avnery: When you say Palestine, what do you mean by Palestine?

Arafat: For all of us? All Palestine. For you and for us.

Avnery: Together, you mean?

Arafat: Together, why not?

Avnery: You don't mean a separate state for the Palestinians?

Arafat: You know our famous slogan: a democratic secular state. If this is not the solution, then two separate states.

Avnery: About what part of Palestine are you talking for the Palestinian state?

Arafat: We are ready to live in any part of Palestine from which the Israelis withdraw or which will be liberated.

Avnery: In practice, this means the West Bank and the Gaza Strip?

Arafat: Any part.

Avnery: Does that mean peace, real peace?

Arafat: Yes, it does. It's not the Palestinians, it's the Israelis who don't want it. And yet, the Jews should know better than anyone else that even if they succeed in annihilating half a million Palestinians in Lebanon, 4 million will remain elsewhere and carry on. Can Israel fight forever?

Where will it be in 10, 20, 30 years?

©1982, Uri Avnery.

## Chatting With a Refusenik in Moscow

By Anthony Lewis

MOSCOW — The patriarch of Soviet refuseniks, a Jew who has been refused permission to emigrate, is Alexander Y. Lerner. A distinguished scientist now 69, Dr. Lerner has been trying to leave for Israel since 1971. Like others who apply for exit visas, he lost his job at once. He has been harassed by the police. His wife died a year ago, and the authorities would not let her body be taken to Israel.

By now one might expect Lerner to be an embittered figure, bowed by his treatment. On the contrary, a visitor meeting him finds a man of extraordinary serenity.

"I believe these 11 years have been the happiest of my life," he said.

"Before, I was unable to be an honest person. I was obliged to work for people I didn't respect. I was unable to express my own views. Since then I've been able to be myself.

"Before, I was practically indifferent to my country. I felt that people here didn't regard me as a compatriot, and I wasn't a citizen of Israel. They made me a citizen in 1972 — I have my papers. Now I feel of some use to my country. I help on the immigration question. I've learned 1,000 words of Hebrew.

"The third reason I am happy is that I did what I was obliged to do

for my children. Maybe that's enough? I have many more reasons!"

Lerner is an applied mathematician whose specialty is automatic control systems. Before 1971 he was a university professor, headed a department of 130 scientists and five laboratories and was a member of several editorial boards. He was dismissed from all those positions, and his son and daughter were removed from postgraduate studies.

The police arrested Lerner several times, and put him in a lockup with drunks. They also warned him he would be prosecuted as a parasite, someone without a job; but he was not. He was left in the good apartment he had as a leading scientist, and at 60 he began getting his pension. His telephone was cut off in 1973; in 1981, without notice, it began working again.

He has been able to go on with scientific work on his own, publishing two or three papers a year at the New York Academy of Sciences. American universities have invited him to visit, but of course he has been unable to accept. He has taken up painting as a hobby; some of his canvases hang in the Weizmann Institute in Israel.

Like many other refuseniks, Lerner

had little Jewish feeling as a young man; it developed after Israel was established in 1948. Unlike some, he really wants to live in Israel. His daughter, Sophia Levin, was allowed to leave with her husband in 1973 and is at Ben-Gurion University in Beer-Sheva. Lerner's son Vladimir has been denied an exit visa along with him.

He said he supported Israel in the Lebanese invasion: "I believe it will stop terrorism in the north." What, then, should happen to the Palestinians? "They should live in Judea and Samaria, with their own government — but no arms."

Others present were not so sure about Israeli action in Lebanon; they expressed concern about the civilian casualties. "Well, we don't have to think alike about everything," Lerner said. "They only believe that here."

We met at the home of Dr. Valery N. Soifer, a geneticist, and his wife, Nina, who have been trying to emigrate to Israel since 1979. There were two other refuseniks, a couple, well known singers and chess players.

All told of frustration and joblessness. Lerner's son Vladimir, the younger people seemed more anguished than Lerner at the prospect of waiting without end; they were not so serene.

But it was not by any means a cheerful evening. There were many jokes. Mrs. Soifer piled pelmeni, spicy Siberian dumplings, on our plates.

Why have these people been denied visas? There may be many reasons: a sense that it hurts the Soviet Union's self-image if someone of Lerner's eminence leaves, for example; or a feeling that allowing large-scale emigration by any one group may give others ideas.

In any event, it is clear that international politics plays a part. In 1979, before Afghanistan and Poland, the American reaction and then the election of Ronald Reagan, Soviet Jewish emigration rose to a high of 51,320. Now it is a trickle.

Much depends on Soviet-American relations, therefore. If they improved, the Russians might well let larger numbers of Jews leave. Another view is that Washington should negotiate explicit commitments on emigration when giving Moscow something it wants — as the Reagan administration did not do when lifting the U.S. grain embargo in 1981.

Lerner expressed confidence that he would eventually get to Israel. He would find it a wonderful country, I said. "Well," he replied, "it's not all that I think. I'll try to improve it."

The New York Times.

## The Public Privacy Of Royals

By George F. Will

WASHINGTON — Captious critics are finding fault with Buckingham Palace security just because strangers are materializing in Queen Elizabeth's bedroom and chatting up the sovereign in the dead of night. It may be a rum thing for herself to have her subjects surging round her so promiscuously. But royal life has often been arduous.

It is said that the cure for admiring the House of Lords is to look at it. The cure for envying the life of bygone royalty is to read accounts of it.

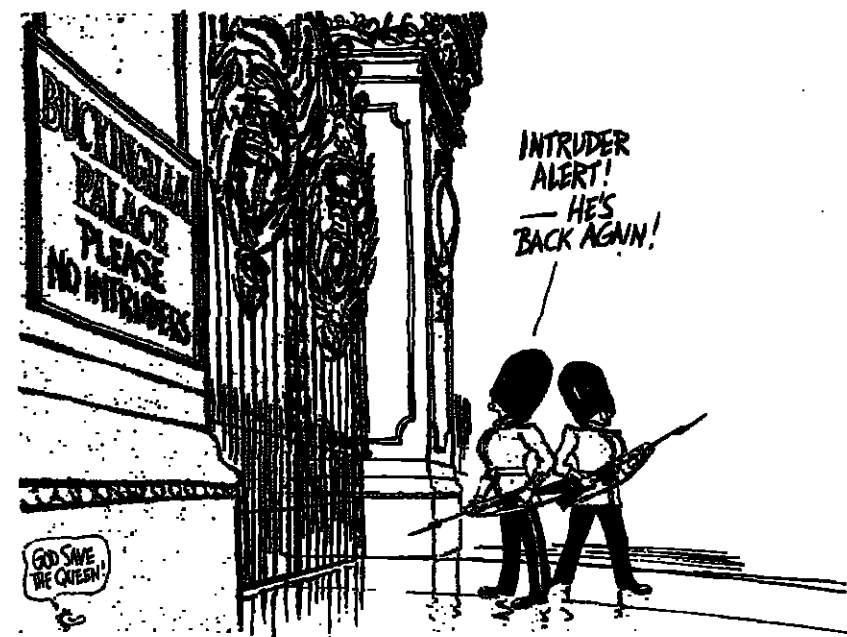
True, before democracy got off the leash, when a sovereign was sovereign, the public side of royal life was agreeable. "My people and I have come to an agreement that satisfies us both," said Frederick the Great. "They are to say what they please and I am to do what I please."

But a king's "private life" sometimes lacked privacy. Louis XIV led a life of public and regulated that it was said anyone anywhere could note the hour of any day and know exactly what the king was doing.

Since the primary function of a French king was to guarantee a succession, his sex life and its result were semi-public matters. Queens gave birth in public lest there be doubt about the child's origins.

In what is smilingly called modern Washington, nothing is more important than "access." Who got his phone calls returned? Who saw the president today? At Louis XIV's court, access was carefully calibrated and allocated like rubies. A favored few among the throng entitled to watch the king dress might be allowed to hand him his shirt.

Royalty endured discomforts that



## LETTERS TO THE EDITOR

### 'Biased Editorials'

I have finally resolved never to buy your newspaper again. Since the barbaric rape and genocide of the Arab people in Lebanon began with the cruel invasion of that defenseless land by the unholy Begin and his hordes, I have found your biased editorials and articles consistently nauseous and repulsive.

SEPTIMUS U. GRANT, Rome.

### Moscow and the Gulf

Regarding "Afghan Rebel Evictions Soviet Threat to Gulf" (HT, July 3): Hassan Gailani's warning that the Soviet threat to the Gulf is increasing should be taken extremely seriously. With Afghanistan being turned into a forward base to the north, and with the tripartite Pact of Ader (allying Libya, Ethiopia and Southern Yem-

## Studying The Book On Shultz

By Charles Mohr

WASHINGTON — George P. Shultz recalled in a 1977 book that perhaps the most important words he spoke in six years of government service were, "Do nothing." He gave that order as secretary of the Treasury to the commissioner of internal revenue when the latter told him in 1972 that President Nixon's counsel, John Dean, had asked the IRS to begin investigating people who were later to become famous as the White House "memories list."

Mr. Shultz, who resigned from government in May, 1974, unsmilingly in the Watergate scandal, indicates in "Economic Policy Beyond the Headlines" that while rectitude dictated that decision, he believes generally in

## Economic Policy Beyond the Headlines

George P. Shultz and Kenneth W. Dam

the concept of mastery inaction proposed by Lord Melbourne, the 19th-century British prime minister.

The book — co-authored by Kenneth W. Dam, an academic and governmental colleague of Mr. Shultz — said that one of the most difficult problems for the makers of economic policy is "finding ways to 'do nothing' while waiting for the lagged effects of actions already initiated to work their way through the market process." At a number of other points, the book stresses the wisdom of trying to ignore "virtually irresistible pressures for action."

A platoon of journalists was searching out copies of the 226-page Shultz-Dam book late last week at \$4.95 the paperback copy.

In recent years, while serving as president of Bechtel Corp., Mr. Shultz has remained professor of management and public policy at the Stanford University graduate school of business. While the book focuses on economic policy, much of it dwells on his more general views about government, policy-makers and the nature of U.S. institutions.

Some things stand out:

• The book appears to be quite free of partisanship. Although Mr. Shultz decries what he calls "advocacy" government and the "balkanization" of institutions by officials in the legislative and executive branches who tend to represent parochial interests, he hardly mentions parties and seems to allocate blame among both liberals and conservatives.

• Signs of a Shultz ego are hard to perceive. One two-page passage does describe a whirlwind series of dinners and meetings in September, 1975, in which, at President Ford's request, he met West German, British, French and Japanese leaders and got agreement for the first of what have become annual economic summit conferences, even though the national bureaucracies of all the countries had been opposed by the standards of other memoirists, however, Mr. Shultz is most self-effacing.

• While he does not care to tilt at windmills, he seems like the man to work with if one wished eventually to dismantle all windmills. He proposes a theory that almost anything can be accomplished if one can manage to make the problem seem to be "politically unimportant." This sounds rather like a variation of

George Marshall's remark that one can accomplish almost anything if someone else gets the credit.

• Some of the views stated in the book seem to bear directly on the duties Mr. Shultz will soon face in the State Department. He says that the value of good personal relationships "will in fact deteriorate if one of the representatives gives way to the temptation to sacrifice the interests he represents in order to preserve good relations. This point is fundamental in any negotiation."

He says the French "simply do not give way" in negotiations in order to maintain good relations, and adds, "It is a good lesson for everyone."

• On "Work and Homework," he wrote that in government as elsewhere, "what makes the difference is homework — the long hours with the staff and the black looseleaf books they habitually prepare. It is, moreover, not enough to be a spokesman. The key is the ability to interpret the public interest in the midst of controversy through an informed and objective understanding of the issues."

The New York Times.



# Montparnasse Memories: Robert McAlmon

by Waverley Root

PARIS — Montparnasse in the 1920s and 1930s was, as Ernest Hemingway remarked, full of "lady writers of all sexes." Hemingway may be presumed to have made this remark in a moment of irritation, for he numbered a good many homosexuals among his friends, including, specifically, Bob McAlmon, with whom he twice made the bullfight round in Spain. Everybody had a gaggle of homosexuals among his friends in those days, a situation which could only be avoided by the determinedly anti-social, there were so many of them.

I suppose there was such a heavy dosage of homosexuality in this society because Paris was so tolerant. The homosexuals constituted a special category of the nonconformists who flocked to France because they were unhappy at home, and in France they could be themselves without feeling the weight of general disapproval. Once here, the refugees from puritanism did not attempt to disguise their homosexuality, as they might have done in the United States, for in Montparnasse nobody cared.

What they did care about is illustrated in a squabble I had about Robert McAlmon after reviewing a book of his short stories, "The Indefinite Huntress," on the book page of the Paris Chicago Tribune. "The post-Hemingway school of writing believes in stripped sentences [I wrote]. All ornamentation is ruthlessly sheared away to leave only the bare essentials. Hemingway himself seems to eliminate all indication of emotion, but the speech which he catches is so accurate and the details which he records so significant, that the underlying emotion is inevitably re-created in the reader who hears and observes the words and acts of his characters. . . . McAlmon . . . too has shown off the non-essentials, but it seems to me that in so doing he has cut away all the feeling as well. . . . McAlmon's stories come very close to being important and don't quite make it."

This estimate of McAlmon's writing provoked dissent from Kay Boyle, who wrote me a letter, which I printed on the book page, in which she exclaimed "the extraordinary debt of influence so many of [McAlmon's] contemporaries owe to him; at least a half dozen names come to mind. Because I recognize in McAlmon the sound and almost headless builder of a certain strong wind in American letters. I can see Hemingway only as the gentleman who came in afterward and laid down the lineoleum because it was so decorative and so easy to keep clean."

I answered to the effect that I was less concerned with who wrote first than with who wrote best. It was my opinion that Hemingway wrote best. It seemed to be the opinion of those who reproached Hemingway for having outwritten McAlmon that this was unfair to him.

Miss Boyle's protest seemed to be somewhat disingenuous, not only because she failed to let her readers in on the secret that she herself had been instrumental in the selection of the stories published in "The Indefinite Huntress" and was therefore casting herself in the roles of both partisan and judge, but also because my review was published in December, 1932, when she already knew that McAlmon's mental disquietude was teetering toward paranoia, which it did not.

Those who knew Robert McAlmon in Paris in the early '20s began to worry about him in the early '30s. Hugh Fort wrote in "Published in Paris": "His companion Ezra Pound expressed concern in a letter to a mutual friend: 'And what is gone wrong with McAlmon? The kid just playin' the fool, or watever? Too bad some of his best have been printed, though hardly more than privately printed. I hope he ain't gone plumb to hell.' And Sylvia Beach, a longtime friend who had once 'quite completely fallen prey' to McAlmon's charms, was saddened by what she de-

scribed as the slow deterioration of her friend into a 'malicious gossip' who by the end of the '30s became 'completely soured.' Sorrowfully she concluded that McAlmon's opinions, though amusing and even brilliant, were often 'influenced by his envy of other people's talents.'

"Even more depressing," Ford continued, "since it now seemed undeniable, was the realization that after a tryout of a few years in Paris McAlmon had done little to sustain the belief held by Miss Beach and shared by many others that he would gradually emerge as one of the important young American exile writers in Paris. 'No one knew this better than McAlmon himself,' she wrote, and it made him 'hard and embittered.' A sad fate for one whom the irrepressible Ernest Walsh had called in 1927 'the most honest and authentically American of our writers, and the only man writing who can seriously compete with Joseph Conrad and James Joyce.'"

McAlmon seems to have communicated his envy to Miss Boyle, who seemed particularly nettled by the greater success of Hemingway, like McAlmon himself. She repeated the comparison between the two on other occasions, for instance when she wrote:

"It was McAlmon who, in liberating himself from genteel language and genteel thought, spoke for his generation in a voice that echoes, unacknowledged, in the prose of Hemingway and that of other writers of his time."

Miss Boyle, whom I never met to my knowledge, must have been a woman of ardent temperament, judging by the enthusiasm with which she championed her friends, frequently beyond the limits of discernment. For instance when she described McAlmon as "a great white god," she had clearly gone off the deep end.

Miss Boyle's most conspicuous infatuation was with Raymond Duncan, Isadora's brother, of whose fake Hellenism she became a victim, joining his community, whose artistic labors served chiefly to support its guru. Once cured, she wrote a brilliant and devastating novel which, while it bared her own temporary gullibility, should have sunk him without trace, but it didn't. He was, I think, the only one of her false idols she ever adored.

Despite Miss Boyle's blast, Raymond Duncan continued to recruit for his colony admiring young women, who it may be assumed had not read her book. Unabashed and unabashed, he told an interviewer on his return to Paris from a trip to New York in 1933: "I have founded a new city. It is called New Paris and will unite the inhabitants of New York and Paris."

"To the undisguised amazement of the captain, officers and passengers of the liner, I laid the foundation stone of the city's city hall, by dropping it overboard in mid-Atlantic, halfway between the United States and France."

"Already many prominent New Yorkers and Parisians have flocked to this new city, which is taxless, lawless and without obligations. Each and every one of these new citizens will drop a brick or stone into the sea in mid-Atlantic when he crosses to or from America. Thus, in time, will the new city hall rear its glorious head above the waves."

The city hall has not yet appeared above the waves, and it is to be feared now that it never will, given the technical difficulty of heaving building stones from transatlantic planes.

Duncan himself kept his head above water. Up to World War II, I used to see him from time to time, in toga and sandals, an incongruous figure in the Paris subway. That Kay Boyle could ever have been taken in by him, even briefly, does not, I fear, argue well for the accuracy of her appraisals, even of Robert McAlmon.

This is the first of three articles.



Raymond Duncan.



Kay Boyle.

Robert McAlmon.

McAlmon had done little to sustain the belief held by Miss Beach and shared by many others that he would gradually emerge as one of the important young American exile writers in Paris.

## Nazi Art Booty for Sale, No Questions Asked

by Joseph Fitchett

ROME — Art sleuths who for nearly 40 years have been tracking down thousands of European masterpieces looted by the Nazis now face that many owners, sensing that the trail has gone cold with the passage of decades, are getting ready to market their booty.

"Witnesses are dying out, so the art has less chance of being recognized," says Simon Wiesenthal, the Nazi hunter, in Vienna. In addition, a postwar generation of specialist art detectives — with encyclopedic, first-hand knowledge of the art that disappeared during World War II — is vanishing because of death or retirement. Their enemies, the owners of stolen works, remain active, boldly attempting to suppress a forthcoming catalog of these missing treasures.

And then there is the complication of international politics. Most of the specialists share the pessimism of Italy's Rudolph Siviero, who since the war has headed the Art Recovery Department in the Foreign Ministry, where he has the rank of ambassador.

Siviero, retiring prematurely at age 62, complains about growing official apathy. "Italian politicians don't want trouble with other governments, with the two Germans, with the United States," he says.

Discussing art missing since World War II, Siviero says most of it still in the West is believed to be in the United States or West Germany. He adds that he has identified stolen Italian art in major U.S. museums, but he has little hope of recovering it without active international pressure by Italy.

Even more missing art is probably in the Soviet Union and East Europe, whose troops seized art stolen by the Nazis and moved it eastward. But these governments refuse to answer queries. "The Soviet bloc remains a big black hole as far as the wartime stolen art is concerned," Wiesenthal says.

In the U.S. State Department, Ely Maurer, a deputy legal adviser who has worked on the problem since 1948, concedes that "Many museums don't want to look too closely at a prize acquisition, which they've had for decades and which is the centerpiece of a collection and would be too expensive to replace."

Agreeing that "many people with art from World War II may think it's safe to come out now," he insists that U.S. courts are strict and U.S. laws stringent — the statute of limitation starts only after a work has been identified and a claim made for it by its rightful owner.

Sensational recoveries do continue: A pair of portraits by Albrecht Dürer in a private collection in New York, valued at \$10 million, have just been ordered sent back to East Germany by a U.S. court. The case shows what can happen when courts make a positive identification: in an effort to help curators, collectors and dealers, the art detectives are leaving behind catalogs of the lost legacy. (As a testimonial to their work, Florence plans a special show late this year of 300 recovered masterpieces together with accounts of the detective work that went into each case.)

The Dürer portraits, for example, hung for 35 years in the living room of a New York attorney, Edward Ellicott, who bought them for \$450 in 1946 from an ex-G.I. During the war, the paintings were looted by Nazi troops from a collection in what today is East Germany and stored in a German castle. When the castle and its art fell to U.S. troops in 1945, the paintings disappeared, only to turn up later in New York.

Once identified, the paintings were bound to go back to East Germany, because U.S. law stipulates that a thief cannot give good title to stolen property he sells. Even though Ellicott bought the paintings in good faith, he lost his



St. Paul by Luca di Tomme.

legal fees and the paintings, whose value multiplied with inflation.

Most of the other thousands of missing works are equally valuable. A marble mask of a satyr, looted from a Florence museum, is believed to be Michelangelo's earliest surviving work. Such a work, even now, could never be displayed publicly without being recognized. Many of the works, however, are known only to connoisseurs. Powerful interests apparently want to close the file, judging by the case of Siviero's missing manuscript.

His last few years in office were spent compiling a book describing the 1,500 main missing Italian artworks. At the Italian publisher last spring, his bulky manuscript vanished. "The real loss was the photographs," Siviero explains in his Rome office, a long vaulted room decorated with recovered Italian art waiting to go back to its owners. Fragments of marble statuary weigh down dossiers on the huge antique desk behind which the white-haired Siviero sits. Painstakingly, he has managed to reconstitute most of his documentation, and the volume — after further inexplicable delays — is now expected out by next year.

Turning the photocopied pages of his manuscript, Siviero describes each missing work without having to refer to the text. "This 14th-century portrait of St. Peter by Luca di Tomme comes from the Perkins collection in Siena," Siviero explains. "Since Perkins was British, his property was not spared by the Germans, especially after they stopped extending any special treatment to Italy as an erstwhile ally."

"We lost the trail among a squad of German soldiers who were escorting a load of Perkins property north: this canvas disappeared."

Italy was particularly hard hit by the looting, but the Nazis took masterpieces from every country they occupied, not only from Jewish collectors but also from national museums.

The Nazi obsession with art started with Hitler, himself a frustrated painter and architect, who set in motion "Secret Operation Linz" to scour Europe for Nazi-approved historical masterpieces. His plan was to transform Linz, an Austrian provincial town on the Danube where Hitler spent most of his adolescence, into the art capital of the Reich. Heavily centered on 18th- and 19th-century German realists, the collection was also sup-

Continued on page 7W

## Updating City Mouse and Country Cousin

In the Heartland, the Beat Is Slow

by Chip Brown

MEDICINE BOW, Wyo. — Yet another issue of the Medicine Bow Post has hit the streets. Here in the nation's second windiest town there's been no shortage of news lately: More radium has been found in the water supply. The airport fence is in bad shape because Fisher's cows have been rubbing themselves against it. The bills for soap to wash the town's only garbage truck came to \$139. Two of Lena Clark's 18 cats have been hospitalized. The mayor has abolished the Animal Control Committee because of bickering with the dog catcher. (The committee was formed after a reporter from the National Enquirer showed up to watch police open fire on unleashed pets.)

For more than five years, the Bow Post's editor and publisher, David L. Roberts, and a part-time staff have been presenting the latest in Medicine Bow, a town of 953 people, untold dogs, dirt streets and trailers huddled on the treeless plains of southeastern Wyoming. The paper appears each week on the shelves of DJ's Stop-N-Go, King's Grocery Store and S&G Conoco, offering a sprightly portrait of small-town life for 20 cents a copy.

Five years in Medicine Bow, however, took a toll. At age 28, David Roberts was burned out.

In five years he had taken one four-day vacation, in Cody, Wyo. He had endured Medicine Bow winters when the snow blows so blindingly sometimes that cowboys in the saddle can't see their horses' ears. Last summer an antelope poacher who lived above the paper's office fled town, leaving a side of spoiling meat stashed in the walls upstairs. For weeks the publisher thought a cat had died somewhere in his physical plant.

Roberts has had five years of suffering through news droughts, obliged to raise issues at Town Council meetings so he could have something to write. Five years of taking pictures of Blackie Chase, beside the first locally grown watermelon, and Ted Cronberg playing the saw at the Methodist Church. And worse: untold hours spent trying to edit Muttonhead's Corner, a column written in the voice of a dog.

So Roberts proposed an exchange. He would take his job for two weeks and I would take his. That's why I now know that Medicine Bow is famous mainly for the wind that funnels in from the basin of the Red Desert at an average daily speed of 15 mph. Only the wind in Guadalupe Pass, Texas, blows harder. Medicine Bow wind shows up in the police blotter as the town's top vandal, specializing in broken windows. A piece of locally popular doggerel posted in the town hall claims the wind can skin an unripened plum.

People like to say that babies are born here at a tilt. Last summer, gales spun the top off the anemometer and frolicked with the portable toilets at the weather station where the world's most powerful wind turbine is under construction.

Medicine Bow does not look much different now than it did in the late 19th century when writer Owen Wister stopped in and pronounced it a "forsaken hole" and a "wretched husk of a squallor" in his literary landmark, "The Virginian." Despite his unflattering assessment, Medicine Bow has embraced Wister as a patron saint. The oldest building in town is the three-story Virginian Hotel, named after the novel. The shoulder patches on the four-man police department depict the shootout between the hero and the villain of the western, and are embroidered with the book's most famous line: "When you call me that, smile."

The main street through town is Highway

30, which, leaving town, passes a video arcade and motel, the Diplo Donut Shoppe, the Diplococcus Bar, and pools of standing water that form after rainstorms. Trail's End, the town's cemetery, lies on the far side of the Union Pacific railway tracks, which parallel the highway. Every 15 minutes or so freight trains run through town, drowning out conversation.

Once Medicine Bow supplied water and coal for the railroad and served as a shipping point for sheep and cattle ranchers. Grazing land ranges for miles over high plains of grass, greasewood and sage, south to the ramparts of the Snowy Range and north to the arid Shirley Mountains.

The old train depot is boarded up now. The last big cattle shipment by rail, depicted in a photograph on the hotel menu, took place in 1962. Medicine Bow has no doctor, lawyer, movie house, clothing store or traffic light. Listing deprivations is one of a visitor's bleak pleasures. About the only form of entertainment in town, other than riding a horse into a bar, is Home Box Office television. "We can never get more than three people to come to Chamber of Commerce meetings," says Bill Kvenild, president of the Medicine Bow State Bank. "They're all at home watching 'K' movies."

Yet viewed from the perspective of, say, a sheep herder who ventures to town from his lonely post, the "forsaken hole" seems a companionable place, shaded by cottonwoods with a cinderblock town hall, six churches, three bars, a library and a newspaper.

The Bow Post has survived my brief reign. Cronox was misspelled (in my column) and duly corrected. A few Cradle Calls hating newsmen may have been misplaced, but the Jehovah's Witnesses were well served, for I spent the better part of an hour crawling on the floor in search of the "news note" announcing their next meeting. And I did not touch a word of Muttonhead's Corner after it was explained to me that it was not a cat narrating, but Muttonhead the dog.

Roberts returned from Washington with a raft of Smithsonian catalogues, two souvenir rulers and new ideas, which he planned to harness immediately in coming issues of the Medicine Bow Post. "I think I can last for another year," he says.

©1982 The Washington Post



Back East, in Washington, They Pave the Streets

by David L. Roberts

WASHINGTON — The people in the subway car did not speak. They watched solemnly as though they feared the presence of strangers. I pulled the luggage closer to my feet while the train whistled down the dark tunnel.

I had just arrived from Medicine Bow, Wyo., on my first trip east — I had never been east of Bassett, Neb., and I had never ridden in a subway. Medicine Bow is a very small town in a big state that is populated less than this city and that has no subways. I was intrigued that people travel beneath their homes, offices, streets, and even the Potomac River.

Eastern Market: That was the exit point. After the doors sprang open with a synchronized, metal thud, I entered a platform area in a honeycomb-like cavern that was fed by escalators.

The escalators provided some clues about people. Tourists seemed to be the ones who rode; residents, on the other hand, walked on the moving stairways as though they believed the machines were too slow. I rode, although I wondered if there was a good reason to also walk. The escalator carried me into the sunlight of a world that was amazingly foreign.

With nervous excitement, I wrestled with the luggage, trying to maintain a fast, steady pace. The two-story, narrow apartment house, attached to a row of similar houses, was nearby. Was this a safe neighborhood where I was staying? Was it safe to walk down the street, even in the daylight hours?

That night, when I telephoned back to my hometown, the telephone operator asked if Medicine Bow really existed. Two weeks later, I, too, would begin to wonder.

The big Eastern city and the small Western town exist with vast differences. Washington, D.C., has paved streets; Medicine Bow has dirt streets. The D.C. telephone directory has too many pages to count; the Medicine Bow telephone book has 6 pages. Medicine Bow has about 953 people, 117 dogs and 76 cats; Washington, D.C., has infinitely more.

My Western concept of the geographical nature of the East was wrong in many ways. I thought Washington was on the Atlantic coast. Wrong. I thought there would be cool breezes from the ocean. Wrong again. The high humid-

ity is uncomfortable. The Potomac is a huge river. In Wyoming, its size would indicate that it was a lake.

If the fear of being mugged in the city is exaggerated by the small-town Westerner, nonetheless, it exists. Small towns are safer, mostly because they are smaller. There are fewer car accidents, fewer robberies, fewer people.

One result is that most people who live in cities know how to be cautious about their environment. Several D.C. residents used the term "street-smart" and said they didn't take chances, such as walking alone at night. However, they also said they didn't feel "oppressed" by the threat of crime. They adjusted their lifestyle to include precautions.

Besides crime, other possible dangers in this city are revolving doors, traffic and dehydration from constantly perspiring.

A special tour of the city, Maryland suburbs and Virginia suburbs provided an examination of neighborhoods, development and people. There is a spectrum of economic conditions. The wealthy neighborhoods, such as McLean, Va., where million-dollar mansions are camouflaged by lush greenery, greatly contrast with the public housing sections, which are not confined to the District of Columbia.

The poverty in the nation's showcase city to the world was my greatest criticism about Washington. It was a sobering sight. I can't imagine a politician going to work in this capital city and not feeling an obligation to help the people who are in serious economic need. Back home, people help one another through hard times, because there is no pride in having a community with ill or needy or troubled residents. No one is isolated from problems in a small town and therefore everyone seems to assist in seeking solutions.

A fellow tourist, Pam Madison, from Hartford, Conn., said that at first she was shocked to see the poor conditions of public housing. "But the more I traveled through those parts of the city, the more I got used to it," she said, possibly reflecting the view of most city dwellers, who feel they have little control over employment, housing and the economy.

While my main form of transportation was the subway system, a grand invention that's easily conquered by the newcomer, I took enough taxi rides to learn that the cabbies can leave the width of a jackalope's whisker between their taxis and the next car as they zig-zag through traffic.

Food, gasoline, clothing and other costs are similar to prices in Wyoming. Housing costs are extremely high here. It seems incredible that a house or apartment could rent for over \$600 a month, but apparently that's the case for a lot of them.

My two-week study changed many wrong impressions that I had about this and other cities. I met people from many ethnic groups: black, white, Vietnamese, Arab and others. I found the people to be friendly and helpful. My conception that city people had little time to be cordial proved to be wrong.

I discovered and enjoyed the many Smithsonian museums, art galleries and monuments; the delicacy of Maryland crabs; that the girls are beautiful; that most men who wear ties don't keep them tied; and that most people fit into one of three categories: tourists, politicians or joggers. And I learned that Washington has trees and fireflies, and because it has no skyscrapers, you can sometimes see the stars at night.

With all of my experiences, I still have many unanswered questions that perhaps I will settle one day with another visit: Was Washington built in a swamp? Who are the people who live next door? What goes on a bagel? Why do people walk or run up the escalators?

©1982 The Washington Post







# Father Figure to Japanese Robots

by Terry Truico

**T**OKYO — In a cluttered Tokyo studio, Shunichi Mizuno stands proudly beside a life-size doll that looks remarkably like Marilyn Monroe. She has pale blonde hair and sleepy blue eyes and she wears the low-cut gown of a frontier barmaid, much like the one worn by the actress in the film "River of No Return."

Like a doting father, Mizuno fondly strokes her curls, straightens her rhinestone necklace and gives her a good-natured pat on the knee. Then, with a flick of a switch, music begins, and Marilyn Monroe magically comes to life.

She smiles, bows and, gently strumming a guitar, begins to sing. As she breathes, her creamy shoulders rise and fall, and when she gets to the sad part of her song, she closes her eyes. When it's over, she winks.

There are more than 14,000 programmable robots in Japan, but Mizuno's Marilyn Monroe is undoubtedly the most ravishing. Mizuno, a 44-year-old display artist, inventor and technology buff, has built nine other people-shaped robots, or cybots, as he calls them, a term that blends robot and cybernetics, the science of communication. Each is as animated and lifelike as Monroe.

His Thomas Edison was the first, finished seven years ago. Since then he has fashioned life-size automated effigies of John F. Kennedy, Kabuki star Tamasaburo Bando, an anonymous young Japanese woman and a family of fantasy creatures that includes fairies, mermaids and a fierce-looking samurai Darth Vader.

Here in Japan where people are enchanted by all types of robots, from the dullest industrial welder to Hollywood's amiable R2 D2, Mizuno's little family has grown immensely popular. Since the mid-1970s they have regularly appeared throughout Japan at science fairs and on television. Crowds filled the entrance to Tokyo's Matsuya Ginza department store earlier this year when Mizuno's creations entertained.

And the popular Monroe has been booked by a Kobe department store for the summer. "My 5-year-old daughter knows Marilyn Monroe as a robot, not an actress," Mizuno says. "There's probably an entire generation of Japanese children who are the same way."

Mizuno refuses to sell his creations, but will rent them for 250,000 yen (about \$1,000) a month. His family has never appeared together at the same time, but one day he would like to stage a play using a cast of robots, a feat not yet technologically possible. It is small wonder that Mizuno has been unofficially designated the robot world's P.T. Barnum.

He did not set out to become either an impresario or a robot maker. Displaying the characteristic Japanese interest in science, in his early 20s he worked for an electronics company developing transistors. "But I didn't fit in," says this slender, bespectacled man.

It was the early 1960s, and Japan's electronics and manufacturing industries were beginning to boom. Together they spawned another new field — display art. Eye-catching billboards and larger-than-life models of engine workings, television interiors and such were needed, and Mizuno found a new profession.

He made everything from giant automobile motors to life-size dinosaurs, but he soon concluded that his displays would be most effective if they moved. Designing existing wireless robots, "too slow and primitive," he decided to build his own. Eight years later, he completed Thomas Edison.

That huge time lapse was not due to technological problems but, oddly enough, to difficulties in fashioning the robot's skin. "At that time, none of Japan's industrial companies needed to manufacture anything that looked like human skin," he says. "So I had to make my own."

He studied chemistry and eventually came up with a soft, lifelike vinyl he has since patented. It is so natural that Mizuno can apply real make-up on it. When his robot of Tamasaburo, the Kabuki star, was completed last year, he recruited the 32-year-old actor to paint the face. "I occasionally get a call from a disabled person asking if I make false limbs or if this can be used for skin transplants," he says. So far, it's only for robots.

Although the basic technology existed from the earliest days of his venture, Mizuno has regularly updated his creations with something new comes along. Mizuno's most sophisticated model, operated by a computer programmed to coordinate her movements with the words of her song, "River of No Return." Indeed, under her flawless complexion she is wired with between 80 and 85 cylinders, all activated by air. This makes the robot sound a bit breathy, since a little *woosh* can be heard with each movement. Somehow, for a Marilyn Monroe robot, it is a nice touch.



"Marilyn Monroe" and Shunichi Mizuno.

When it comes to programming human expressions, the computer is still a little awkward, Mizuno says. Monroe contains some 80 actuators because that's how many muscles human beings use for the facial and body expressions she has. Mizuno says, "If the computer develops more senses, I can equip Marilyn with more actuators." For now, a cybot can be programmed to smile, but it looks grotesque if it tries to express anger or pain.

Anyone wondering what makes Monroe tick need only examine a skinned, skeletal twin Mizuno often displays as a teaching instrument. Monroe contains a network of wires, most camouflaged by thin plastic shells on her skull, torso and limbs.

The head, which Mizuno can make in a month — a third of the time it now takes to build a cybot — is sculpted after a human face is photographed from dozens of angles. Mizuno employs 30 assistants, but he says he still does all the body sculpture himself. "I've always liked art," he says.

It was Japan's current robot craze that brought fame to Mizuno's cybots. But he also believes several quirks in Japanese culture account for his country's enthusiasm for all types of robots, including his.

The Japanese have always had an emotional attachment to tools, which they view almost as friends, he says. For years Japanese decorated tools at the New Year, a practice now extended to automobiles. "We seem to ascribe feelings to them, perhaps because we work with them side by side."

Nor does he feel that robots could ever cause Japan harm, either by prompting unemployment or by achieving a superhuman intelligence. What he does expect is to see industrial robots become more lifelike. "When robots become more sophisticated with sight, feelings and senses, people will want them to look human."

Mizuno says he wants his robots to be as lifelike as possible, but he has also promised himself never again to fashion a robot after a living person, like his Tamasaburo. "It was very difficult emotionally, and I grew jealous in a sense because when it was finished, the robot was no longer mine. It looks just like Tamasaburo, it moves like Tamasaburo — it is almost as if it is his now."

Indeed, Mizuno often seems like a protective parent. "When the robots were at the Matsuya department store, I sometimes hid behind a column to watch and see that they were all right," he confesses. "I always want them to perform well."

# Should Women Phone for a Date?

by Enid Nemy

**N**EW YORK — He's just the kind of man she's been waiting for — intelligent, assured, amusing. But the cocktail party ends and there's no dinner invitation. So what? She's a young American professional, successful and liberated. If the man doesn't make the first move, she'll pick up the telephone the next day and ask him for a date. These are the days of liberation, and sex role-playing is old-fashioned all right.

But somehow the fingers don't dial. Intellectually she's annoyed with herself, but logic is still running a poor second to tradition. In fact, if a sampling of young career women in New York and Washington is indicative, logic is scarcely in the running.

"Theoretically, it should be perfectly fine if a woman asks a man for a date, but I'm not comfortable with it," says Mary-Beth Corbett, who is with the Department of Commerce in Washington. "I'm embarrassed to admit I feel that way," she adds, "because it seems to me I should feel comfortable doing it, but I don't."

"I'm just old-fashioned, I guess," says Duane Garrison, the public relations director of Tiffany's. "I'd rather die than ask a man for a date. I'd rather stay home."

"It's not happening with me," said Pamela Clement, a 27-year-old vice president at Smith Barney, Harris Lippman & Company, an investment banking firm. "I have to be aggressive all day in my business, and I don't like to be the aggressor in personal relations. I like to assume the female role." Clement admits that she would "certainly let a man know I was interested," and adds, "and then, if he can't see a good thing, . . ."

Most American women who are still reticent about asking a man for a date are in their 30s, with Kathy Novak, who is in her early 30s, that "habit is too ingrained, it's not in my nature to make the first move, there's still a shyness, a hesitancy."

"Things haven't changed that much," says Novak, a reporter for WOR Radio in New York.

"I don't think it's ever happened to me," responds Dr. Ronald Grelsamer, a 28-year-old resident in orthopedic surgery at Columbia-Presbyterian Medical Center, when asked if he had ever been sought as a date. "If it did, it would tell me something about the person, that she was a go-getter." He continues: "I don't think that would prejudice me one way or the other."

"Women may be initiating conversation and interaction more frequently than in the past, but I haven't found them asking for dates," says Kenneth Kaess, a 27-year-old account supervisor with Jordan, Case & McGrath, an advertising agency.

"Platonically, it's no problem," he continues. "But if there is a possible emotional involvement, women still tend to hang back and let the guy make the first step."

The women who won't dial a man they've just met for a date will, however, pick up the telephone if it's a matter of being escorted to a dinner party or charity benefit. And many women have no hesitation whatsoever in asking a male friend they've known for some time to have dinner or go to a movie.

"I have a lot of male friends and I'd ask them to a movie or whatever, that's no big deal," says Patti Matson, a vice president at ABC Television. "I don't consider that a dating situation so much as doing things with friends."

"I don't see anything wrong with asking someone for a date but I'd just as soon not," says 25-year-old Laurie Netter. "Theoretically, I approve of the idea, but practically I can't do it. If I was interested, I'd probably find some other way of seeing him again. I'd find some party he'd be at or some way to run into him."

"I still feel that men don't like to be pursued," says Pat Guarnieri, a 26-year-old employee of the Food and Drug Law Institute in Washington. "I'd have reservations about phoning a man I just met, but I wouldn't hesitate about asking a male friend I've known for some time."

As a number of other women have done, Leslie Factor divides men into friends and "others where there is something more serious to it." She says she has no qualms about inviting male friends out, but "I wouldn't go to a cocktail party, and meet someone and ask them."

"I haven't reconciled the two aspects of my life," says Factor, who is 40 years old and a personnel manager. "I think I'm in the generation struggling between the traditional female role and the feminist role."

Although most young women apparently still have grave reservations about making the first move, there are a few who do pick up the telephone when sufficiently motivated.

"Dating is not like the bomb, it's not serious," says Elizabeth Essex-Schantz, a law librarian in Washington. "When you take it in that spirit, it's no big deal. It's absolutely antiquated that someone should sit home waiting for their phone to ring."

Essex-Schantz, who is 30, said that her circle of close friends had no qualms about phoning her to meet, but she had just met, and that she did so quite often. "I'll give them a call the next day and say 'Hi, would you like to come over for dinner or go to a concert or something?'" she said. "It's much more pleasant sometimes because you can pick and choose. They're usually so flattered that you automatically start out on a good footing. Their ego is so high they can't wait to take you out."

"Some women take dating too seriously," she continues. "There are men you wouldn't take home to Mother but are interesting and fun to be with. Men push all day and often they're shy about making the first move. They get out of the office and they want to collapse, and sometimes they're not as self-confident as they seem to be."

Essex-Schantz is a member of the Circle and Avenue Club in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

ing entered anonymously in an amateur competition, awarded by the unanimous decision of the Pulitzer Prize jury, the dealer Lord Duveen, and the art historian Kenneth (now Lord) Clark. At his best he was a fine Post-Impressionist in the French tradition, as is demonstrated in this show by such works as "Terrace Near Florence" (c. 1935), "Bridge near Aix-en-Provence" (c. 1948), and above all "The Goldfish Pool at Chartwell" (c. 1932), which could happily hang in any major gallery.

A summer exhibition of Contemporary English Artists is to be found at the recently opened Gillian Jason Gallery, 42 Lovers Lane, N.W.1. Of particular interest here are oils and watercolors by Carol Wyatt, the fantasy mixed-media works of one of her students, Bryneth Stark, and the powerful "abstract" drawings of Richard Rome.

In the matter of sculpture, there are two major shows not to be missed — Recent Tapestries, Drawings, Bronzes and Graphics of Henry Moore at Fischer Fine Art, 30 King Street, St. James's, S.W.1, and Carvings by Barbara Hepworth at Marlborough Fine Art, 6 Albermarle Street, W.1., which range from the grey alabaster "Figure" of 1933 to the white marble "Small one, two, three (Vertical)" of 1975.

Finally, at Goldsmith's Hall, Foster Lane, E.C.2, to July 22, is a celebration of 50 Years of Silverware by Leslie Durbin. His most famous creation is the Sword of Honor for St. Edward (now Volpogrand) presented to that city by King George VI in 1943; but the 170 exhibits show the vast range of this still-active artist's work.

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

Two other shows of note are "The Circle and Avenue Club" in Washington, a group of single professional women who have a cocktail party every other month to which they invite single men. "The men love the parties," she reports. "They all want to be asked back."

# The Art Market: Sotheby's Crisis

by Soren Melikian

**L**ONDON — The cat is out of the bag. With the release of its interim report and some of its end-of-season figures, Sotheby's, the leading auction house in the world, admits in effect that it is confronted with a major crisis.

When its auction season ended July 31, its worldwide net sales are expected to reach £267 million — 25 percent less than last season's all-time high of £353 million. Given the inflation rate, the drop is closer to a third in real terms. For the first time since World War II, Sotheby's will be in the red.

One reason — the only one, strangely enough, that commentators have considered — has to do with financial strategy. Sotheby's ambitious expansion plan was launched in happier times. In New York, the decision to buy the Kodak building on York Avenue and remodel it as the world's largest auction house was made when the market stood at its highest. By the time the building was ready last September, the market was sick and the volume of business shrinking fast. As a result, Sotheby's is now giving up its lease on its original and prestigious premises at 980 Madison Avenue.

In a parallel move, it is scrapping its auction house in Los Angeles. Its operations center in California is downgraded to a regional office whose business is to drain goods for sale in New York — in practical terms, items worth \$10,000 up.

The same story repeated itself in Britain on a lesser financial scale. In the last two years, regional offices sprang all over the United Kingdom, accompanied by a corresponding increase in staff. Some offices will have to be closed and layoffs have already reduced numbers from 2,000 worldwide to 1,450. This should save £4 million a year in salaries.

All this points to a loss of control over the growth process, even a slight touch of *folie des grandeurs*, perhaps. Commentators have had harsh words about Sotheby's financial policy. It is poor management, one analyst thundered, to use short-term borrowings to finance long-term investment — referring basically to the York Avenue location in New York.

The blame may be justified. It is equally true that the scramble for power triggered by Peter Wilson's resignation as chairman of the board in 1980 had devastating effects. For a year or so, it was difficult to determine just who was in charge, what in Sotheby's upper sphere. A lack of coordination leading to interference with the normal conduct of business hampered Sotheby's offices in continental Europe, which now account for 50 percent in value of the lots sold in London — a little-publicized figure that underlines Sotheby's phenomenal drive in recent years. Worse, Sotheby's best brains focused on the internal struggle instead of heading outside perils.

The combined effect of overambitious investment and inner turmoil partly account for the company's losses. These amount to £942,000 for the six months that ended last Feb. 28. They will probably exceed £2 million for the financial year ending Aug. 31.

Yet this is not the crux of the problem. In itself the loss is not a serious problem, regrettable as it may be for shareholders. Already, this has been more than made up for by the sale of Nash House in London — which was not part of the auction premises — for £1.8 million and other assets. As a result, the company's net indebtedness will be reduced to well below the £7.2 million in the latest published balance sheet, that of last Aug. 31. There is no need to worry about Sotheby's financial predicament this year, or the year after.

What is more, the current storm has been weathered. The latest shake-up has eliminated some of the deadwood, brought back to the hub of affairs Peter Wilson, the world's auction grandmaster, and effectively put in command Julian Thompson. As chairman of the board, Thompson enjoys the exceedingly rare advantage of being a great expert — one of the greatest — in his field, Chinese objects d'art, as well as one of the shrewdest businessmen in this line.

If the shake-up is further extended to Sotheby's U.S. operation, which badly needs it, there won't be any more cause for worrying about Sotheby's such. The obvious man to call in would seem to be Peregrine Pollen, who turned Parke Bernet Galleries from a floundering concern into a brilliant postwar auction success, played a leading role in building up the U.S. auction market generally and has the broadest vision in the field. Yet, according to the latest report, he is no longer with Sotheby's. If confirmed, that would be one more in a long list of misjudgments.

But there is a good deal else to worry about. Sotheby's crisis has revealed a fundamental problem, the destabilization of the art market — about which not a word has been written in this connection. If Sotheby's miscalculated, it was prompted to do so because catching a bigger share of the market has become an urgent necessity — hence the sprouting of regional offices and the ever-expanding staff.

The auction market mechanism has gotten out of hand as a result of intense competition between auction houses; operating the auction system is getting inordinately expensive. The growing rarity of important — and less-important — works of art available for sale makes it necessary for auction houses, if not to improve their "service," as they claim, at least to make themselves outwardly more attractive to vendors.

They print better-looking catalogs with more color plates and longer, even endless, scholarly references. They organize traveling exhibitions to faraway Japan for the more-important items. They try their hardest to offer the best terms to high-powered vendors in order to get works of art that will add to the

glamour of their auctions. This means less — sometimes even no — revenue.

The race for glamorous items has, moreover, led auctioneers to lose some of the prudence with which, until recently, they conducted business. This year, Sotheby's stumbled twice. The first mistake was the handling of the "Avar Treasure," a controversial group of gold and silver antiquities, supposedly from a seventh century A.D. find, which failed to convince. All but three minor lots remained unsold and even these eventually trickled back to Sotheby's, if my information is correct.

The second mistake was the Mizutani sale of Impressionist and Modern Masters. Huge reserves and the personality of the seller, whose identity Sotheby's hopelessly endeavored to keep secret, proved fatal. In both cases, the effect was counterproductive, the loss of face being matched by the failure to make money.

Inexorably, an unprecedented inflation has been generated by competition between auction houses combined with the natural decline of the total of available works of art. This decline occurs as more people are drawn into the game and more works get shunted off the auction track forever — or virtually forever — on entering museums. Something had to give. Indeed, something is now giving: Prices are climbing down, which means less revenue for auctioneers, even though it is still possible to claim a "world record" here and there for this or that master. On July 9, for example, Christie's sold for £228,800 a study for a ceiling done by Carlo Caracci in 1725. But unsold paintings included some great names and accounted for a third of the gross total.

A telling no-confidence motion against the auction system has just come — from Christie's.

By far the most important clock ever made by Thomas Tompion, a year-going clock designed for King William III around 1695-1700, was to be auctioned this week. It had a special catalog to itself. But two days before the auction, Christie's announced that it had just negotiated the clock's sale "by private treaty" to the British Museum for £500,000 net — free of taxes and duties to the owner, Lord Mestyn.

For the vendor to get that amount at auction, a bid of about £800,000 would have been required.

Christie's decision, made in the best interests of its client, indicates that it was not sure of getting that sort of bid. True, if the catalog had not been printed and an auction not contemplated, the British Museum might not have felt the urge to negotiate. Or it would probably have made some ludicrously low offer. The threat of open competition was necessary to get the institution up on its feet.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

In terms of salesmanship, Christie's act was impeccably performed. But this is no longer the auction game.

# Nazi Booty Continued from page 5W



Michelangelo's "Mask of a Faun."

posed to include outstanding classical Greek and Roman sculpture, including the "Mask of a Faun" stolen from Ghent and discovered after the war in a salt mine where the Nazis had stored it.

While Hitler's agents combed Europe for the Nazis collection, lesser lights of the Nazi party followed suit. The most active was Reichsmarschall Hermann Goering, who adored Renaissance art and especially the 16th-century, 36 crosses of art, including an entire Venetian ceiling, were shipped back to Berlin. His collection, ranging from Cranachs to Impressionists, probably was Europe's finest.

In the closing months of the war, Allied fine arts commissions followed the troops into liberated areas and immediately started looting, identifying and returning tens of thousands of works of art stolen by the Nazis. But many masterpieces proved untraceable: Siviero's book lists paintings by Titian, Raphael, Rubens, Van Dyck and Canaletto, modern works by Manet and Rodin, coin collections, sets of Stradivari violins.

Many Germans hid plundered art or even raided their own museums for paintings to be bartered with the Americans. A single canvas rolled under a jacket sleeve, for example, could be post-war capital for a Nazi escaping to South America, where investigators say many missing masterpieces are hidden today.

U.S. and other allied soldiers then stole from the Nazis' loot. G.I.s conveying art back to its European owners, however, were accosted to the temptation of appropriating a choice item — a Cellini tray, say, or a Diirer portrait — and smuggled it home.

As the occupation armies went home, Siviero started the international hunt for the missing works, joined by Wiesenthal, Maurer and others such as the painter Jacques Hossion, now dead, of France's Center for Contemporary Jewish Documentation.



Dow Jones Averages

|                    |          |
|--------------------|----------|
| INDUSTRIAL         | 2,845.12 |
| RETAIL             | 1,145.12 |
| TRANSPORTATION     | 1,145.12 |
| UTILITIES          | 1,145.12 |
| FINANCIAL          | 1,145.12 |
| TELECOMMUNICATIONS | 1,145.12 |
| COMMODITIES        | 1,145.12 |
| FOREIGN            | 1,145.12 |
| GLOBAL             | 1,145.12 |

Standard & Poor's Index

|                    |          |
|--------------------|----------|
| INDUSTRIAL         | 1,145.12 |
| RETAIL             | 1,145.12 |
| TRANSPORTATION     | 1,145.12 |
| UTILITIES          | 1,145.12 |
| FINANCIAL          | 1,145.12 |
| TELECOMMUNICATIONS | 1,145.12 |
| COMMODITIES        | 1,145.12 |
| FOREIGN            | 1,145.12 |
| GLOBAL             | 1,145.12 |

Odd-Lot Trading in N.Y.

|        |        |        |
|--------|--------|--------|
| Symbol | Price  | Volume |
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

Market Summary, July 16

| Market | Open     | High     | Low      | Close    |
|--------|----------|----------|----------|----------|
| NYSE   | 2,845.12 | 2,845.12 | 2,845.12 | 2,845.12 |
| AMEX   | 1,145.12 | 1,145.12 | 1,145.12 | 1,145.12 |
| OTC    | 1,145.12 | 1,145.12 | 1,145.12 | 1,145.12 |

NYSE Index

|      |          |
|------|----------|
| NYSE | 2,845.12 |
| AMEX | 1,145.12 |
| OTC  | 1,145.12 |

NYSE Most Actives

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

Friday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

12 Month High Low Stock Div. Yld. P/E

| Symbol | Price  | Volume |
|--------|--------|--------|
| IBM    | 114.50 | 100    |
| GE     | 28.45  | 100    |
| AT&T   | 28.45  | 100    |
| AMER   | 11.45  | 100    |
| DISC   | 11.45  | 100    |
| INTL   | 11.45  | 100    |
| WAT    | 11.45  | 100    |
| WAT    | 11.45  | 100    |

U.S. Railroads Get Loan for Coal Plan

CHICAGO — Chicago & North Western Transportation Co. and Union Pacific Corp. have announced an agreement with a syndicate of 12 banks to provide \$345 million to finance construction of the Wyoming Powder River Basin coal project.

The banks — led by Manufacturers Hanover Trust Co., First National Bank of Chicago, Mellon Bank, Canadian Imperial Bank of Commerce and Union Bank of Switzerland — agreed to lend the two railroad companies 75 percent of the \$460 million needed to finance the project and make a commitment to provide an additional \$69 million in case of cost overruns.

Union Pacific is to contribute \$96 million to the financing package, and Chicago & North Western \$25 million.

The Wyoming Powder River Basin is the largest single deposit of low-sulfur coal in the United States. Chicago & North Western and Union Pacific plan to haul the coal through a series of connecting lines.

The companies are to use the financing to pay off Burlington Northern Inc., which currently operates a railroad line to haul the coal, and build a new 56-mile railroad line connecting Chicago & North Western's southern Wyoming line with Union Pacific's line in western Nebraska.

هكذا من النحل



## BUSINESS BRIEFS

## Venezuela to Increase Its Oil Output

CARACAS — Venezuela will increase its oil production, Energy and Mines Minister Humberto Calderón Berti said Friday.

He said the country will produce at a level allowing it to reach its export goal for the year of 1.42 million barrels a day. Industry sources noted that domestic consumption totals 350,000 to 400,000 barrels a day, implying production of around 1.8 million barrels a day for the rest of the year if Venezuela is to meet the export target.

Venezuela has so far kept strictly to an OPEC output quota of 1.5 million barrels a day. But OPEC ministers failed to agree earlier this month on extending the quota system, and Mr. Calderón Berti said he would not feel obliged to honor the system if other members did not.

## Massey Suspends Interest Payments

TORONTO — Massey-Ferguson Ltd. last month suspended cash interest payments on \$330 million in loans to its 24 banks in North America, the company disclosed Friday.

A spokesman said the suspension will save the farm machinery maker about \$5 million a month. He said the banks were notified in advance of the suspension. Cash is in short supply in the period just before the fourth quarter, ending Oct. 31, which is usually the company's strongest sales period, he said.

## Batus, FTC in Divestiture Accord

WASHINGTON — The Federal Trade Commission said Batus Inc. has reached an agreement settling the FTC's complaint that the company's \$365-million purchase of Marshall Field may have reduced retail department store competition in the area around Milwaukee, Wis.

Under the consent agreement, Batus, a unit of B.A.T. Industries, agreed to sell at least one of its retail department stores in the Milwaukee area, the commission said Thursday.

Batus is the largest department store retailer in the Milwaukee area with seven Gimbels Brothers and 14 Kohls' Discount stores, while Marshall Field was eighth. The agreement requires Batus to reduce its Milwaukee area floor space by at least 200,000 square feet and its annual sales volume by at least \$20 million, or about 9 percent, the FTC said.

## Dome Says LNG Financing Set

CALGARY, Alberta — Dome Petroleum said Friday that Japanese financing for its British Columbia liquefied natural gas has been secured for most of the project "at very favorable rates."

Thursday, the British Columbia government said the consortium led by Dome Petroleum was picked over two other groups to develop an LNG project.

Dome said financing is committed for the liquefaction plant and terminal, to be located on the British Columbia coast. It said a separate company will build, finance and operate the pipeline, and any additional capital will come from project partners.

Compiled from Agency Dispatches

## EEC Officials Reported To Plan Retaliation For U.S. Steel Curbs

BRUSSELS — The European Economic Community pressed on Friday with its protest against U.S. restrictions on steel trade, as officials on both sides acknowledged that a solution is not in sight.

Diplomatic sources here said the EEC Commission has decided to propose legal action against alleged subsidies on U.S. exports to Western Europe. In what the sources described as a retaliatory move, the commission is to urge EEC foreign ministers next week to again challenge the U.S. system of Domestic International Sales Corporations, or DISCs. The system allows U.S. exporters to defer tax payments.

The legal challenge would be lodged with the General Agreement on Tariffs and Trade, which has already said that some aspects of the DISC system amount to export subsidies. GATT has left open, however, the question of whether the DISC system has actually caused injury to U.S. trade partners.

Pressure on Reagan By seeking approval for retaliatory measures from the GATT council, the community hopes to gain leverage to make Washington change its mind about restricting steel imports, the sources said.

An authorization by GATT would not allow the EEC to take measures immediately. The trade agency would have to estimate the value of the damage caused, and the community would have to decide in which sectors to introduce countervailing duties or to seek reductions in GATT quotas for U.S. products.

In Washington, the EEC's industry commissioner, Etienne Davignon, and external affairs commissioner, Wilhelm Haferkamp, held trade talks Thursday and Friday with Commerce Secretary Malcolm Baldrige and other top U.S. officials.

"They're extremely worried by the hard and firm line taken by the U.S. steel lobby," an EEC source in Brussels said. "They are asking the Reagan administration to resist the pressures said to take account of the interests of the American consumers."

A U.S. spokesman commented: "Both sides agree the best solution is a negotiated settlement, but it isn't expected soon. Baldrige and Davignon must still go back and

## Saxon Industries: From Modest Earnings to a Big Loss

Reported net income in millions of dollars



William J. Scharffenberger, president and chief executive officer of Saxon Industries.

## Sorting Out the Saxon Mystery: Wide 'Discrepancies' or 'Fraud'?

By Thomas J. Lueck

New York Times Service

NEW YORK — Three months after Saxon Industries' surprise filing for protection from creditors under U.S. bankruptcy law, the company's tangled financial condition remains mysterious.

Saxon, a paper products and business machines concern based in New York, had reported profits in each of the first three quarters of 1981. Suddenly, it announced an expected loss of \$47 million for all of 1981, filed for bankruptcy, and made a series of disclosures of false financial reports.

On June 21, the company said the value of inventory in its business products division had been overstated by about \$24 million. A week later, it said the overstatement may "substantially exceed" \$24 million.

This week, William J. Scharffenberger, Saxon's president and chief executive officer since May 1, said in an interview at his Manhattan headquarters that the problem of false financial statements may also involve inventories at Saxon's paper products division and that sales and earnings reports for both divisions may be affected. He said wide discrepancies had been uncovered in reports prepared by the company's divisions and its corporate headquarters.

The problem was characterized in harsher terms by another Saxon director. "This has been a massive, deliberate fraud," said Hal A. Kroeger Jr., a St. Louis businessman and the company's largest shareholder, who obtained his board seat a year ago and describes himself as a "dissident."

"Saxon isn't some poor corporation that went bankrupt because of foreign competition or a domestic recession," Mr. Kroeger added. "This is a scandal."

the kind of thing that shouldn't have been allowed to happen in an American corporation."

Investigations of Saxon's record keeping and business procedures have been started on several fronts. Mr. Scharffenberger said the company was turning over any evidence of inaccurate records to the Securities and Exchange Commission.

A committee representing the company's creditors, including a group of banks with \$140 million in loans to Saxon, has planned a separate investigation. And the Federal Bankruptcy Court has ordered that an independent examiner be appointed to review the company's operations.

## Changing Auditors

The company's auditors, Fox & Co., are to be replaced by Touche Ross & Co. as soon as Fox completes its audit of Saxon's 1981 results. Mr. Scharffenberger said the change was being made partly because of "unanswered questions" regarding Fox's performance in previous audits.

Albert M. DeBicari, a partner in Fox's New York office who had managed the Saxon account, retired on June 1 at the age of 57. Dick Purcell, public relations director for Fox, declined to say whether Mr. DeBicari's departure had any relation to Saxon's bankruptcy.

Mr. Purcell also said Fox would have no comment on an allegation by Mr. Kroeger that it had failed to uncover discrepancies in Saxon's financial reports.

Stanley Lurie, who was chief executive of Saxon for four years until May 1, when he was named chairman, resigned abruptly on June 29. Mr. Kroeger said the resignation followed a meeting between a group of

(Continued on Page 11, Col. 3)

## U.S. M-1 Higher as Rumors of Rate Cut Grow

Compiled by Our Staff From Dispatches

NEW YORK — The U.S. money supply as measured by M-1 grew by \$5.9 billion in the week ended July 7, the Federal Reserve reported Friday. The increase was roughly in line with most predictions.

The Fed also injected reserves into the banking system Friday, giving rise to speculation about the likelihood of a cut soon in the discount rate from its current 12 percent.

The Fed, in its money supply report, revised downward the \$3.7 billion decrease reported for the previous week. The Fed said the decrease was \$4.2 billion.

The increase in the first week in July, caused by the 10 percent tax cut and a 7.4 percent increase in

Social Security payments, thus was more than offset in the previous two weeks. Two weeks ago, the Fed reported that M-1 declined \$2.5 billion.

The injection of reserves through repurchase agreements took place when federal funds, the rate banks on reserve banks lend one another overnight, were trading at 12 1/2 percent. Soon after the Fed announced the operation, the funds rate slipped further to 12 percent.

David Jones, an economist with the securities firm of Aubrey G. Lanston, said, "The move significantly improves the chances of a discount rate cut."

The lower fed funds rate alleviated concern over the money sup-

ply figures due in the afternoon, analysts said.

Bond prices climbed Friday after the Fed added reserves.

In the secondary market for Treasury issues, intermediate maturities rose 14/32 point and long-term issues were up 17/32 point. Short-term Treasury issues advanced 11/32 point.

But the expectation of a discount rate cut is not unanimous among analysts.

Leonard Santow, an economist with J. Henry Schroder Bank & Trust, said Friday's move by the Fed has no special significance.

He said the injection of reserves was dictated by seasonal factors, which are draining reserves in the current statement week, which started Thursday.

He said a discount rate cut is unlikely until money growth data

for the first two weeks of July have been assessed.

Mr. Santow said the technique the Fed is using to inject the necessary reserves in the current statement week is more important than the timing of the move.

He said that in the past the Fed would use multi-day repurchase agreements to inject a substantial amount of reserves into the banking system in a given statement week.

Thursday, however, the Fed arranged overnight repurchase agreements and returned Friday for a second round.

Mr. Santow said the Fed has in recent weeks maintained high visibility when supplying reserves, at least partly to calm market nervousness in the aftermath of the Penn Square Bank failure.

## Ambrosiano Unit Faces Growing Default Crisis

Compiled by Our Staff From Dispatches

LUXEMBOURG — Banco Ambrosiano found its troubles getting worse Friday as a number of international banks followed the lead of two British banks in declaring the debt-ridden Italian bank in default on more than \$170 million in loans.

Italy's largest private bank is the object of a major rescue effort and investigation following the disappearance and death of its president, Roberto Calvi, who left behind an estimated \$1.4 billion worth of unsecured loans made by the bank's Latin American subsidiaries.

An official of the Landesbank Stuttgart said Friday it took default action on a \$25-million loan because of a court order putting the affairs of Banco Ambrosiano's Luxembourg Holding company under judicial control.

Two major British banks, Midland and National Westminster, Thursday declared the Italian bank in default on \$115 million in loans.

Midland said it acted against the Italian bank after it failed to meet an interest payment Monday on a \$40-million credit made to the Luxembourg subsidiary, National Westminster followed suit on a \$75-million loan.

The Lugano, Switzerland-based Gotthard Bank Friday joined National Westminster bank in calling a default on the \$75-million credit. Gotthard senior vice-president Silvio Bassi said.

The two banks were co-leaders of the loan. Gotthard Bank is 45 percent owned by the Banco Ambrosiano Luxembourg subsidiary, which Gotthard declared in default.

Later, Gotthard Bank declared a default on all syndicated loans of Banco Ambrosiano Holding for which it is agent bank. But it declined to give any details on the amounts of such loans.

## Distancing Itself

Bankers said the move by Gotthard Bank to declare the loans in default is evidence of the Swiss effort to put some distance between it and Banco Ambrosiano.

Banking sources said Banque Bruxelles Lambert also called a default Friday on a \$10-million loan to Ambrosiano.

Credit Suisse Friday called a default on a 50-million Swiss franc (\$23.5 million) floating-rate note issued by the Luxembourg subsidiary, banking sources said. The

note was not guaranteed by the Italian parent bank, the sources added.

Credit Suisse also had lead-managed a private placement totaling 25 million Swiss francs for Banco Ambrosiano Holding, but this was not called in default, because it is guaranteed by the Italian parent bank, the sources said.

International bankers said they could absorb the burgeoning problems of Banco Ambrosiano. While confident that the bank's credit troubles would not cause lasting damage to the international banking system, they said that Italy's credit standing might suffer unless there was quick action to resolve Ambrosiano's problems.

In Rome, a source close to the Bank of Italy said he saw no immediate effects on Ambrosiano shareholders because the Luxembourg company's debts are frozen by the court action.

The affairs of the holding company, which banking sources said owned an estimated \$300 million, have been placed in the hands of a

local commissioner in Luxembourg.

Italian press reports Friday said that several unidentified British and Arab banks had already loaned Ambrosiano about \$30 million to help cover its more pressing commitments.

The Vatican this week called in three outside experts to examine relations between the Vatican bank, Istituto per le Opere di Religione, and Ambrosiano. The Vatican bank owns just under 2 percent of Banco Ambrosiano, making it the fourth-largest shareholder.

The three also discussed the complex relationship between the Vatican bank and Ambrosiano with the Vatican secretary of state, Cardinal Agostino Casaroli, and Archbishop Paul Marcinkus, head of the Vatican bank.

The sources said the three bankers, an American, a Swiss and an Italian, were assured by Cardinal Casaroli they would have full access to all documents relating to their inquiry.

## U.S. Reports Surge In Producer Prices

Compiled by Our Staff From Dispatches

WASHINGTON — Wholesale prices last month jumped 1 percent, the sharpest rise in 15 months, while factory use fell to its lowest point since early 1975, the government reported Friday.

The resurgence of the producer prices index, which was level in May, was blamed on higher prices for gasoline and home heating oil.

Even with the June rise, which works out to an annual rate of 13.3 percent, the producer price index has risen just 3.5 percent over the past 12 months. For all of 1982, economists are predicting that wholesale price inflation will be 5 to 6 percent.

"This certainly isn't a move toward double-digits" for the year, said James Annable, an economist at the First National Bank of Chicago. "There really just isn't any prospect short of a major oil disruption in the Middle East for a return to double digits this year or next."

The index was held down earlier in the year "because of erratic movements in food and energy prices," he said. "We knew it wouldn't be held down forever. We're paying some of that back now."

Gasoline prices were up 4.1 percent in June after falling 5.9 percent the month before. Heating oil costs rose 7 percent after falling 1.1 percent in May. Natural gas

prices climbed 2.9 percent after a 1.8-percent increase in May.

"Moderation in energy prices ended dramatically in June," said Donald Rajczak of Georgia State University, one of the leading U.S. experts on inflation.

Jason Benderly, an economist for Washington Analysis Corp., said June's energy price rise was "the first of several large increases." For the first six months of the year, energy prices overall were down 17.1 percent, calculated annually.

Food prices rose 0.5 percent in June, down from 0.7 percent in May and 1.6 percent in April. So far this year, food prices have risen at an annual rate of 8.8 percent.

Capital equipment costs rose 0.8 percent after climbing 0.4 percent in each of the three previous months.

Meanwhile, U.S. factories operated at 69.8 percent of capacity in June, the lowest rate in seven years. Reporting the 10th decline in 11 months, the Federal Reserve said that "operating rates again declined for most major industry groupings." The only areas showing rises were petroleum products and motor vehicles and parts.

"There's very little prospect that capital spending will begin its recovery before the end of the year," said Robert Ortner, the Commerce Department's chief economist.

## Have all the advantages of a bank account in LUXEMBOURG, without actually being there.

To discover the advantages of banking in Luxembourg with BCC, all you have to do is simply mail the attached coupon. We will promptly despatch to you by airmail our booklet containing detailed information about banking in Luxembourg.

The BCC Group has offices in 52 countries, its Capital Funds exceed US\$462 million and total assets US\$7,300 million. The Head Office and branch of the Bank of Credit & Commerce International S.A., in Luxembourg enable you to make full use of the unique advantages offered in Luxembourg which include—

1. Total confidentiality of investor's affairs by the laws of Luxembourg.
2. The benefits of being able to open and operate an account in Luxembourg without actually going there.
3. Investments and deposits made by non-residents are totally tax-free and there is no withholding tax on interest or dividends.
4. Luxembourg is a stable, prosperous financial centre in the heart of European Economic Community.

INTERNATIONAL AND PERSONAL BANKING IN LUXEMBOURG



Mail this coupon for your FREE copy of "International and Personal Banking in Luxembourg" to

BANK OF CREDIT AND COMMERCE INTERNATIONAL S.A. 39 Boulevard Royal, P.O. Box 1008, Luxembourg. Telex 2812 BCCI LU



Name \_\_\_\_\_ Address \_\_\_\_\_

IHT 17-82

## CURRENCY RATES

Interbank exchange rates for July 16, including bank service charges.

|             | \$     | £      | D.M.   | S.F.   | P.F.    | Y.       | Sw.     | Sc.     | N.K.    | Sp.     | It.     | Gr.     | Port.   | Ind.    | U.S.   |
|-------------|--------|--------|--------|--------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| American    | 1.0000 | 0.7186 | 1.9360 | 6.5596 | 20.4800 | 136.7600 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 1.0000 |
| British     | 1.3760 | 1.0000 | 2.7063 | 9.2661 | 60.4800 | 403.3600 | 60.4800 | 60.4800 | 60.4800 | 60.4800 | 60.4800 | 60.4800 | 60.4800 | 60.4800 | 1.3760 |
| French      | 0.1523 | 0.1063 | 1.0000 | 3.3637 | 22.3600 | 148.4800 | 3.3637  | 3.3637  | 3.3637  | 3.3637  | 3.3637  | 3.3637  | 3.3637  | 3.3637  | 0.1523 |
| German      | 0.0636 | 0.0453 | 0.2937 | 1.0000 | 6.5596  | 42.3600  | 0.2937  | 0.2937  | 0.2937  | 0.2937  | 0.2937  | 0.2937  | 0.2937  | 0.2937  | 0.0636 |
| Italian     | 0.0193 | 0.0139 | 0.1366 | 0.0298 | 1.0000  | 6.5596   | 0.0298  | 0.0298  | 0.0298  | 0.0298  | 0.0298  | 0.0298  | 0.0298  | 0.0298  | 0.0193 |
| Japanese    | 0.0074 | 0.0054 | 0.0548 | 0.0121 | 0.0376  | 1.0000   | 0.0121  | 0.0121  | 0.0121  | 0.0121  | 0.0121  | 0.0121  | 0.0121  | 0.0121  | 0.0074 |
| Swiss       | 0.0200 | 0.0145 | 0.1456 | 0.0320 | 0.1000  | 6.5596   | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0200 |
| Spanish     | 0.0166 | 0.0121 | 0.1210 | 0.0268 | 0.0833  | 53.7600  | 0.0268  | 0.0268  | 0.0268  | 0.0268  | 0.0268  | 0.0268  | 0.0268  | 0.0268  | 0.0166 |
| Portuguese  | 0.0200 | 0.0145 | 0.1456 | 0.0320 | 0.1000  | 6.5596   | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0320  | 0.0200 |
| Indonesian  | 0.0001 | 0.0001 | 0.0010 | 0.0003 | 0.0010  | 6.5596   | 0.0003  | 0.0003  | 0.0003  | 0.0003  | 0.0003  | 0.0003  | 0.0003  | 0.0003  | 0.0001 |
| U.S. Dollar | 1.0000 | 0.7186 | 1.9360 | 6.5596 | 20.4800 | 136.7600 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 20.4800 | 1.0000 |

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

Source: Reuters. (D) Amounts needed to buy one pound. (U) Units of 100. (L) Units of 1,000.

## IS YOUR BANK SAFE?

Our newsletter was the first to predict a deflationary economy. Therefore, we recommended buying the US-dollar against Swiss Francs when the price was 1.45. Now the US-dollar has appreciated 50% against DM and Franc. Last year we recommended homestake puts when HM was 300% higher. Our puts for Honeywell, Control Data, Litton, etc. showed gains of over 1,000%. Is Wall Street heading for a technical recovery, or is a sellout ahead? Our recommendation for shorting the Swiss Franc in Chicago two months ago led to a gain of more than 200%.

A recovery for the world economy is not ahead. World debt is going up by \$200 billion this year. What comes after Poland, Rumania, Latin America? Are your time deposits in the Euro-Market in danger? Are bank stocks going down another 50%? If you do not want to lose money get the latest edition of our newsletter today. It is too expensive nowadays to lose money.

Finanzwoche is the biggest newsletter in the south of Germany and Switzerland. Subscribe to Finanzwoche for a trial subscription of 3 months. Please enclose cheque (\$25).

Name \_\_\_\_\_ Address \_\_\_\_\_

Finanzwoche, Dr. Jens Ehrhardt, P.O. Box 900308, D-8000 München 90, Germany.

## Receive 12 weeks of Value Line for '55



This trial subscription is open to you only if no member of your household has subscribed to Value Line in the past two years. We make this special offer because we've found that a high percentage of new subscribers who try Value Line stay with us on a long-term basis. Increased circulation enables us to keep our subscription fees to long-term subscribers lower than would otherwise be possible.

Under the special trial offer you will receive the 2000-page Investors Reference Service (illustrated above) at no extra cost. You'll receive all the new full-page reports to be issued in the next 12 weeks on more than 1700 American stocks and 92 industries regularly monitored by The Value Line Investment Survey. Filling takes less than a minute a week. All this material is so organized in your binder that you can quickly turn to a continually updated report on almost any leading stock.

Thus you'll find it convenient to have The Investors Reference Service at your fingertips whenever you need facts and figures, as well as Value Line's projected performance ratings on more than 1700 widely held stocks in 92 industries.

In the Selection & Opinion section, which accompanies your weekly reports, you'll also get analyses and forecasts of the national economy and the stock market... guidance on current investment policy explaining Value Line's bullish long-term position on



### Friday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Open High Low Settle Chg.

[illegible]

## Shell Says War Not Yet a Threat

*Washington Post Service*

WASHINGTON — The president and chief executive officer of Shell Oil has said that the conflict between Iraq and Iraq is not yet a direct threat to world oil supplies.

"You wouldn't see any reaction in crude markets unless people begin to judge that the present conflict is going to spill over to other countries," John F. Bookout said Thursday.

Mr. Bookout said that the combined production of Iraq and Iraq could be offset by increased production from other countries if those countries chose to meet the need. Only if Saudi Arabia's production were threatened

**Washington Post Service**  
**WASHINGTON** The president and chief

## Highs and Lows

July 16

NEW HIGHS—\$1

|              |             |             |
|--------------|-------------|-------------|
| Albertsons   | East Kodak  | Pennys JC   |
| Amal Sys     | Ermer Road  | ProCo       |
| Am Family    | Fedex Corp  | Plemany Ltd |
| Am Home      | FedCo       | Rollins     |
| Am Hosp      | Flintco Spt | Roths Env   |
| Am Hospit wi | Gen Elec    | Roy Crown   |
| Antares B    | Gen Rad     | Sanders     |
| Avco Corp    | GlycoC      | South Car   |
| Bad Trav     | Goodyear    | Stop Shop   |
| Bristlewar   | Hawblin     | Sunbics wi  |

|     |       |       |       |       |       |       |
|-----|-------|-------|-------|-------|-------|-------|
| Nov | 1,032 | 1,015 | 1,026 | 1,027 | 1,023 | 1,024 |
| Jan | 1,000 | 985   | 998   | 1,000 | 993   | 992   |
| Mar | 975   | 965   | 975   | 976   | 971   | 972   |

|     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|
| May | 963 | 930 | 932 | 963 | 957 |
| Jly | 955 | 946 | 950 | 951 | 954 |

1,847 lots of 5 tons.

### GASOIL.

|      |        |        |        |        |        |
|------|--------|--------|--------|--------|--------|
| Jly  | 279.25 | 269.00 | 272.25 | 274.00 | 269.00 |
| Aug  | 279.00 | 273.00 | 279.25 | 279.50 | 274.75 |
| Sept | 280.25 | 280.75 | 280.00 | 280.25 | 276.00 |
| Oct  | 281.25 | 278.00 | 282.75 | 284.75 | 277.00 |
| Nov  | 284.25 | 279.00 | 284.00 | 278.25 | 279.00 |
| Dec  | 286.50 | 291.50 | 285.00 | 284.00 | 279.50 |
|      |        |        | 286.00 | 288.75 | 291.50 |

|                  |        |        |        |        |
|------------------|--------|--------|--------|--------|
| 1 month          | 847.50 | 849.00 | 843.00 | 844.00 |
| 3 months         | 860.50 | 861.00 | 858.00 | 859.00 |
| Copper cathodes: |        |        |        |        |

|                |            |            |            |            |
|----------------|------------|------------|------------|------------|
| spot           | \$725.00   | \$721.00   | \$727.00   | \$740.00   |
| 3 months       | \$715.00   | \$711.00   | \$717.00   | \$730.00   |
| Lead: spot     | \$675.00   | \$671.00   | \$677.00   | \$690.00   |
| 3 months       | \$670.00   | \$666.00   | \$672.00   | \$685.00   |
| Lead: spot     | \$630.00   | \$627.00   | \$633.00   | \$645.00   |
| 3 months       | \$625.00   | \$622.00   | \$628.00   | \$640.00   |
| Zinc: spot     | \$427.50   | \$426.50   | \$428.50   | \$431.00   |
| 3 months       | \$422.50   | \$421.00   | \$423.00   | \$426.50   |
| Silver: spot   | \$349.00   | \$347.50   | \$350.50   | \$354.00   |
| 3 months       | \$344.00   | \$342.50   | \$345.50   | \$349.00   |
| Aluminum: spot | \$570.00   | \$567.50   | \$572.50   | \$581.00   |
| 3 months       | \$568.00   | \$567.00   | \$569.00   | \$579.00   |
| Nickel: spot   | \$2,930.00 | \$2,914.00 | \$2,946.00 | \$2,985.00 |
| 3 months       | \$2,927.00 | \$2,910.00 | \$2,933.00 | \$2,970.00 |

## AEG Signs Contract

## For Radar Equipment

**FRANKFURT** — AEG-Telefunken said Friday it signed a contract worth 87 million Deutsche marks (\$25.5 million) with Manovic

marks (\$35 million) with VFWA Aircraft of Munich to supply radar equipment for the Tornado multi-

An AEG spokesman said the contract is the first stage of an order totaling more than 800 million marks, under which it expects to deliver around 500 radar units by 1988.

## Peru Car Building Plan

**OSAKA, Japan** — Daihatsu Motors said Friday it has reached a 10-year agreement with two Peruvian affiliates of Chrysler for the assembly of 4,000 small Daihatsu cars a year in Peru beginning late next year.

| Company          | Per. | Rank | Yr.  | Yr. |
|------------------|------|------|------|-----|
| Alpacas          | 40   | 9-1  | 8-13 |     |
| Am Gen Conv Socs | 77   | 8-16 | 7-23 |     |
| Amer Motor Ins   | 11   | 9-1  | 8-16 |     |

[illegible]

A-Annual; M-Monthly; Q-Quarterly; S-Semi-Annual.

# Executive Killed in Spain

*United Press International*

MADRID — Gunmen thought to be Basque ETA terrorists killed a tobacco company executive in morning rush-hour traffic Friday in a suburb of Bilbao.

## U.K. Inflation At

## Three-Year Low

*Compiled by Our Staff From Dispatches*

**LONDON** — Britain's annual inflation rate fell to 9.2 percent in the twelve months to June, its lowest level in three and a half years, the government announced Friday. This compared with a 9.5 percent rate in the year ended May 31.

Lower food prices balanced the increase in the price of energy to reduce inflation. Last month, prices rose by 0.3 percent after a 0.7 percent increase in the previous

The news was welcomed by

Cabinet ministers, who saw it as another success for the government's monetarist policy. They forecast that the rate could be down much faster than Sir Geoffrey Howe, the Chancellor of the Exchequer, had predicted last month in his budget speech.

|     |     |         |    |     |     |     |     |           |
|-----|-----|---------|----|-----|-----|-----|-----|-----------|
| 31% | 13% | Forrest | 28 | 40  | 25% | 25% | 14% | 14%       |
| 22% | 11% | Franks  | 33 | 7   | 14% | 14% | 14% | 14%       |
| 13% | 5%  | Fritly  | 34 | 6   | 12  | 6   | 5%  | 5%        |
| 44% | 20% | Fredel  | 20 | 124 | 24% | 25% | 25% | 25% + 14% |

| 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444</ |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|

|     |     |        |       |    |    |     |     |     |     |     |
|-----|-----|--------|-------|----|----|-----|-----|-----|-----|-----|
| 17% | 12% | GrndA  | 25    | 25 | 8  | 27  | 18% | 18% | 18% | 18% |
| 15% | 6%  | GrndCl | 25    | 25 | 17 | 203 | 18% | 9%  | 9%  | 1%  |
| 35% | 19% | GrndA  |       |    | 23 | 70  | 29% | 29% | 29% | 1%  |
| 12% | 6%  | Grnd   | n 931 | 12 | 6  | 14  | 8%  | 8%  | 8%  |     |
| 12% | 12% | Grnd   |       |    |    |     | 10% | 10% | 10% |     |

[illegible]

|        |        |        |      |       |    |        |        |        |   |    |
|--------|--------|--------|------|-------|----|--------|--------|--------|---|----|
| 3 1/8  | 25     | REINH  | 2400 | 9 1/8 | 9  | 2500   | 25     | 2400   | + | 10 |
| 1 1/4  | 11     | RegalB | .72  | 6 5/8 | 10 | 11 1/4 | 11     | 71     | - | 16 |
| 9 1/4  | 5 1/4  | RegGyp | .32  | 5 7/8 | 10 | 6 1/4  | 6 1/4  | 6 1/4  | + | 16 |
| 22 1/4 | 12 1/4 | Rest A |      | 7 1/8 | 20 | 17 1/4 | 17 1/4 | 17 1/4 | + | 16 |

| Year | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 |      |

|     |     |         |      |     |    |    |       |       |       |
|-----|-----|---------|------|-----|----|----|-------|-------|-------|
| 74  | 34  | SciRad  | 8.16 | 34  | 3  | 9  | 24    | 24    | 24    |
| 74  | 34  | SciMat  | .10  | 2.0 | 12 | 24 | 34    | 34    | 34    |
| 34  | 204 | SciCo   | .50  | 2.0 | 2  | 7  | 24    | 24    | 24    |
| 174 | 44  | SciPort |      |     | 10 | 5  | 11-16 | 11-16 | 11-16 |

[illegible]

the final quarter of this year, demand for OPEC oil may increase to approximately 20 million

If that happens, oil and gasoline prices should continue to move up slightly, although remaining below the level of a year ago, though not as high as \$10 a barrel.

During the last year, when prices were as high as \$10 a barrel, some refiners had to pay prices set by long-term contracts, found themselves paying as much as \$6 a barrel more for crude than others who bought a larger proportion of their crude on the spot market. As a result, some refiners were forced to meet price competition from other gasoline marketers. Compensating price increases will allow the oil companies to recover from the losses during that period, he said.

Companies are "trying to restore the price needed all along to meet the price of raw mate-

Shell announced Thursday that it has reduced the price it pays for domestic crude at its refineries by \$1 a barrel. The action could indicate a softening in demand or larger supplies available. Shell had raised prices on June 28, but other major crude buyers had not followed Shell's increase.

\_\_\_\_\_



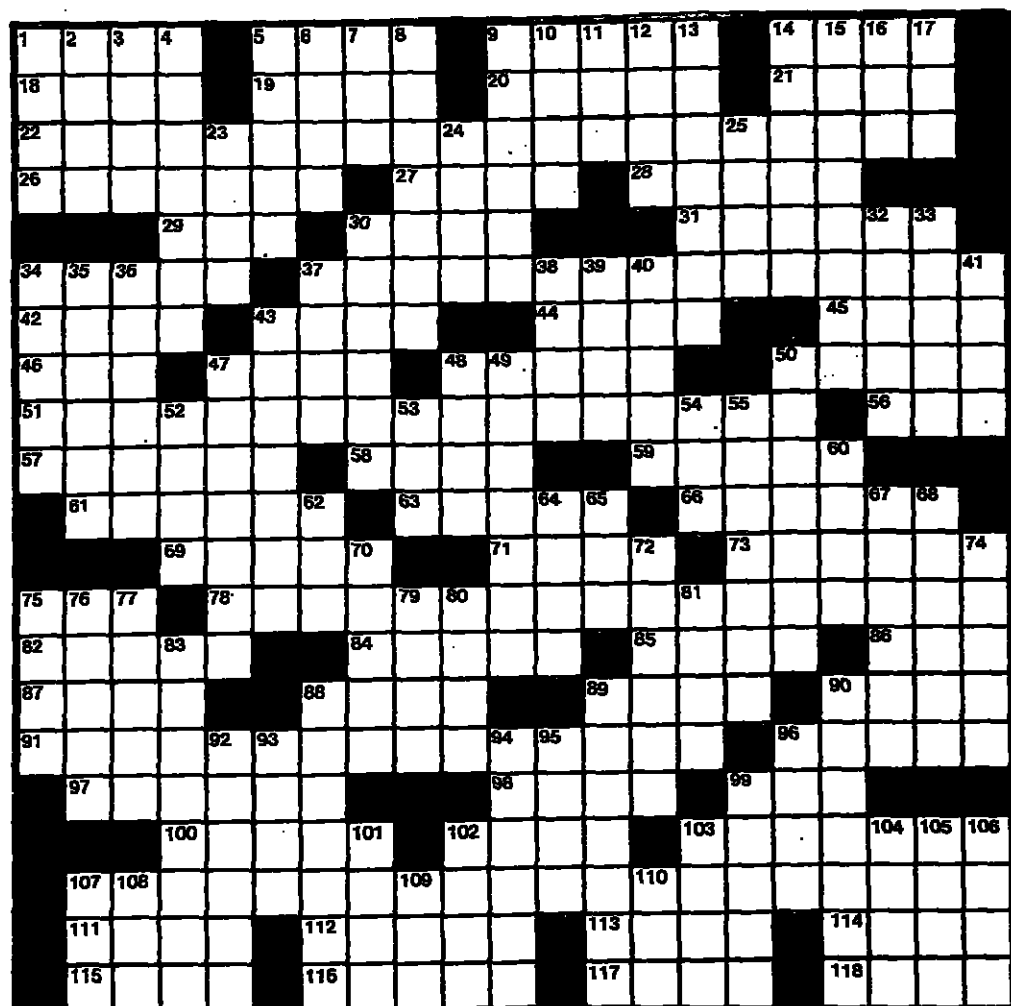




## CROSSWORD PUZZLE

Edited by  
EUGENE T. MALESKA

Space Trip By Ruth N. Schultz



**ACROSS**

1 Bone: Prefix  
3 Red planet  
9 African language group  
14 Italy  
16 Derr Biggers hero  
19 Seed coating  
20 Squirrel's cache  
21 Wool: Prefix  
22 Huston film: 1957  
26 Parts of clocks  
27 Arouse  
28 Bayard, for one  
29 "... and Tyler, ..."  
30 N.T. book  
31 Consecrate  
34 Some are moles  
37 Esther Williams film: 1953  
42 Golden, e.g.  
43 Porcine abode  
44 Cries of disgust  
45 Frown  
46 Diminutive ending  
47 Wary's partner  
48 Muscat citizen  
50 Davis or Midler  
51 Como hit: 1958  
56 Simpleton  
57 Spatial  
58 Group  
59 Galsworthy book  
61 Rationed  
63 Raynold or sili  
64 Legendary filer

**DOWN**

1 Baron to a Strauss opera  
2 Bandleader  
3 West German basin  
4 Ashed  
5 Tropical fruit  
6 Places of refuge  
7 "... Tin Tin  
8 Rush-hour headaches

**DOWN**

1 Baron to a Strauss opera  
2 Bandleader  
3 West German basin  
4 Ashed  
5 Tropical fruit  
6 Places of refuge  
7 "... Tin Tin  
8 Rush-hour headaches

**Solution to Last Week's Puzzle**

ACROSS  
1. Bone: Prefix  
3. Red planet  
9. African language group  
14. Italy  
16. Derr Biggers hero  
19. Seed coating  
20. Squirrel's cache  
21. Wool: Prefix  
22. Huston film: 1957  
26. Parts of clocks  
27. Arouse  
28. Bayard, for one  
29. "... and Tyler, ..."  
30. N.T. book  
31. Consecrate  
34. Some are moles  
37. Esther Williams film: 1953  
42. Golden, e.g.  
43. Porcine abode  
44. Cries of disgust  
45. Frown  
46. Diminutive ending  
47. Wary's partner  
48. Muscat citizen  
50. Davis or Midler  
51. Como hit: 1958  
56. Simpleton  
57. Spatial  
58. Group  
59. Galsworthy book  
61. Rationed  
63. Raynold or sili  
64. Legendary filer

DOWN  
1. Baron to a Strauss opera  
2. Bandleader  
3. West German basin  
4. Ashed  
5. Tropical fruit  
6. Places of refuge  
7. "... Tin Tin  
8. Rush-hour headaches

## WEATHER

| LOW |      |             | HIGH         | LOW |      |            |
|-----|------|-------------|--------------|-----|------|------------|
| C   | F    |             | C            | F   |      |            |
| 15  | 39   | LOS ANGELES | 32           | 61  | FAIR |            |
| 24  | 73   | CLOUDY      | MADRID       | 31  | 16   | CLOUDY     |
| 24  | 73   | CLOUDY      | MANILA       | 29  | 24   | CLOUDY     |
| 20  | 30   | CLOUDY      | MEXICO CITY  | 37  | 74   | CLOUDY     |
| 22  | 72   | CLOUDY      | MIAMI        | 31  | 68   | 77 Showers |
| 22  | 72   | CLOUDY      | MONTREAL     | 32  | 72   | 72         |
| 24  | 73   | CLOUDY      | MOSCOW       | 31  | 95   | CLOUDY     |
|     | N.A. | MOSCOW      | 37           | 74  | 61   | FAIR       |
| 16  | 36   | FAIR        | MUNICH       | 32  | 90   | 73         |
| 20  | 68   | FAIR        | MUSCAT       | 31  | 50   | FAIR       |
| 15  | 39   | FAIR        | NASSAU       | 31  | 68   | 73         |
| 15  | 39   | FAIR        | NEW DELHI    | 38  | 100  | 71         |
| 18  | 64   | FAIR        | NEW YORK     | 33  | 97   | 71         |
| 18  | 64   | FAIR        | NICE         | 39  | 84   | 73         |
| 4   | 30   | CLOUDY      | OSLO         | 34  | 75   | 78         |
| 2   | 34   | FAIR        | PARIS        | 34  | 75   | 78         |
| 17  | 63   | CLOUDY      | PEKING       | 34  | 75   | 78         |
| 18  | 64   | FAIR        | PRAGUE       | 37  | 17   | 63         |
| 18  | 64   | FAIR        | RAJAHMUNDRAM | 14  | 37   | 8          |
| 19  | 64   | FAIR        | RENO         | 31  | 68   | 73         |
| 19  | 64   | FAIR        | ROME         | 33  | 97   | 73         |
| 18  | 30   | OVERCAST    | SAO PAULO    | 30  | 48   | 9          |
| 21  | 75   | OVERCAST    | SEAGRAM      | 32  | 90   | 73         |
| 21  | 75   | OVERCAST    | SINGAPORE    | 32  | 75   | 78         |
| 19  | 30   | CLOUDY      | STOCKHOLM    | 28  | 82   | 74         |
| 5   | 41   | FAIR        | SYDNEY       | 33  | 91   | 75         |
| 7   | 37   | SHOWERS     | TAIPEI       | 33  | 91   | 75         |
| 23  | 73   | CLOUDY      | TEL AVIV     | 32  | 90   | 78         |
| 23  | 73   | CLOUDY      | TOKYO        | 34  | 64   | 64         |
| 18  | 64   | FAIR        | TURIN        | 41  | 99   | 82         |
| 18  | 64   | FAIR        | VENICE       | 33  | 91   | 68         |
| 18  | 64   | FAIR        | VIENNA       | 34  | 92   | 64         |
| 17  | 63   | FAIR        | WARSAW       | 33  | 43   | 64         |
| 19  | 30   | OVERCAST    | WASHINGTON   | 32  | 94   | 75         |
| 9   | 48   | CLOUDY      | ZURICH       | 29  | 84   | 59         |

Readings from the previous 24 hours.

## BOOKS

## MUSOLINI

By Anthony James Joes. 405 pp. \$18.95  
Franklin Watts, 730 Fifth Ave., New York, N.Y. 10019

## MUSOLINI: A Biography

By Denis Mack Smith. 429 pp. \$20  
Knopf, 201 East 52nd St., New York, N.Y. 10022

Reviewed by W. Warren Wagar

WHO was the first working-class

premier of Italy?

Some clues may be helpful. He was

a sensitive violin-playing intellectual,

an ardent patriot who saved Italy

from Red chaos and tyranny, trans-

formed it into a modern industrial

country, and gained the admiration of

the whole world. In the 1930s he took

initiatives to rally Europe against the

Nazis.

But in the end he found himself

driven into an alliance with Adolf

Hitler. He died bravely, victim of a

gangland-style roadside assassination

ordered in April, 1945, by Communist

boss Palmiro Togliatti, who feared that

if the now-deposed premier fell

into the hands of the advancing

American troops, he would make

"embarrassing disclosures" about the

Communist reign of terror in northern

Italy.

If you do not recognize this man,

another set of clues is available. He

was a sullen paranoid bully and

pathological liar, who saw ideas only

as weapons to be employed or dis-

carded as circumstances required, in a

single-minded struggle for political

power. He imposed a ruthless dicta-

torship on a divided nation that failed

to understand until too late how dan-

gerous he really was.

Once installed in power, he led Italy

from one disaster to another. His

regime consisted of little more than

thuggery, sham, and bluster. He bears

full personal responsibility for the

many brutal wars of aggression that

Italy fought during his rule, wars that

increasingly revealed his thorough-

going administrative incompetence.

Little in Common

The first set of clues is supplied in a

new political biography of Benito

Mussolini by the American scholar

Anthony James Joes. The second set

is taken from a new political biography

of Mussolini by Denis Mack Smith

of Oxford. The two books have

little in common except their titles.

Joes writes as if he were the lawyer for

the defense in a postwar international

tribunal. Mack Smith writes as if he

were the chief prosecutor. Both men

recount all the tricks of the legal

trade: omission of inconvenient evi-

dence, consistently one-sided con-

struction of doubtful sources, mis-

leading quotation of witnesses, and

almost equally unbelievable.

One must say "almost," because

Mack Smith is clearly the better scholar.

He massively documents his factu-

al statements, citing more than 1,200

sources in twice that many endnotes.

Joes cites his sources haphazardly,

and uses a more severely abused

Mack Smith's rhetoric is more re-

strained. He slants his evidence less

outrageously. He shuns Joes' irritating

tactic of quoting apparently support-

ive opinions from scholars who

would emphatically reject his view

of Mussolini. One of these severely

abused scholars is Denis Mack Smith

himself, whose "Italy: A Modern History"

(published in 1969) Joes cites at least

six times.

But Joes and Mack Smith both in-

sult the intelligence of their readers by

seeing little except the virtuous and

the villainous, respectively, in their

subject.

Joes' Mussolini, for example, had

no responsibility whatever for the

death of the Socialist deputy Matte-

otti in 1924. On the contrary, Matte-

otti may have been kidnapped by op-

ponents of the Duce's program of na-

tional reconciliation. In any case, the

deputy probably died of a heart at-

tack after nothing worse than a beat-

ing. Joes' Mussolini agonized over

the affair, suffering the first episode of

severe stomach cramps that plagued

him all the rest of his life. The vicious-

ness of the Socialist campaign against

him left Mussolini with no alternative

but to assume dictatorial powers,

powers that Joes claims he did not in-

tend to seek, although they were hard-

ly greater than those wielded by pre-

decessors of Italy who had preceded

him.

Mack Smith's Mussolini, by con-

trast, gave orders that prompted one

of his chief henchmen to instruct two

notorious Fascist hoodlums to kill

Matteotti, thus removing the only

man with guts enough to oppose his

march to absolute power. In various

ways I Duce protected all those im-

plicated. He paid hush money for

years to a man convicted of the crime,

a "professional gangster" and Fascist

squad-leader. All of Mack Smith's evi-

dence points to Mussolini's deep com-

plicity in the outrage and in its at-

tempted cover-up. His seizure of dic-

tatorial powers in 1925 followed inex-

orably.

As Complex as Watergate

Which story is true? The Matteotti

affair is at least as complex as the

Watergate scandal. All the pertinent

facts will probably never come to

light, and it is unlikely that anyone

now alive knows exactly what hap-

pened, or why. But every fact or

surmise offered by Joes is intended to

advance the case for Mussolini's inno-

cence and every one offered by Mack

Smith is intended to advance the case

for his guilt.

This is not to say that Joes and

Mack Smith always disagree. Joes re-

peatedly proclaims and Mack Smith

grudgingly concedes that Mussolini

was far less inhumane than Hitler or

Stalin. They both see Italy's role in

World War II as a catastrophe for the

Italian people, and assign to Musso-

lini most of the blame. They both de-

plore his choice of second-rate sym-

phonants for aides and ministers.

But history is not well served by the

fireworks of the law court. Nor have

the various earlier biographies of

Mussolini served it much better, with

the possible exception of the multi-

volume study by Renzo De Felice,

which is not yet finished and is not

translated. We still have no sober,

comprehensive, and scrupulous ac-

count in English of the most impor-

tant Italian of the 20th century. Good

biographies of Hitler abound. We

must wait a while longer for someone

to make sense of Mussolini.

W. Warren Wagar, who teaches mod-

ern European history at the State Un-

iversity of New York at Binghamton, is

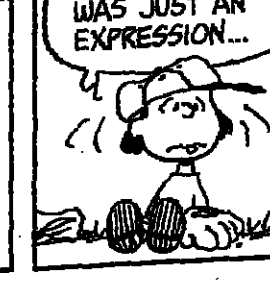
the author, among other books, of the

forthcoming "Terminal Visions: The

Literature of Last Things." He wrote

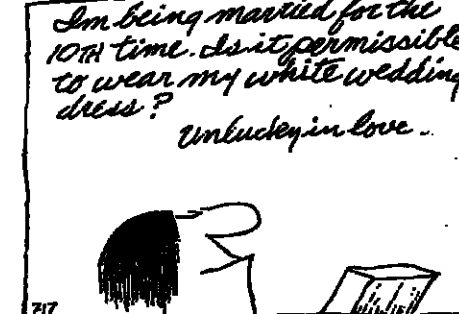
this review for The Washington Post

PEANUTS



B.C.

Dear Fat Broad,



DEAR 'UNLUCKY' IF IT'S STILL WHITE, I'D LIKE THE NAME OF YOUR DETERGENT.

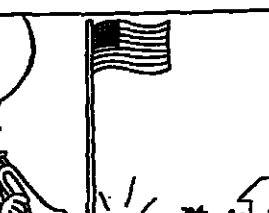
B.LONDIE

I NEED TO HAVE A HEART-TO-HEART TALK WITH ALEXANDER



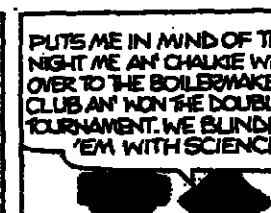
B.E.TLEBAILEY

DO YOU PLAY SPECIAL REQUESTS?



A.NDYCAPP

GOOD NIGHT, ALL! SEE YOU, JACKIE!



W.IZARD OF ID

ARE YOU A HANDSOME PRINCE, JUST WAITING FOR MY KISS?



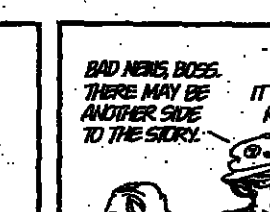
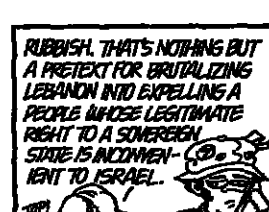
R.E.X. MORGAN

I DON'T KNOW HOW TO THANK YOU FOR THE DAY, JUNE. IT WAS FUN!



D.O.NESBURY

I THINK I'VE GOT THE SITUATION PERFECTLY CLEAR. BOSS, BASICALLY THE INMATE HAS A SINGLE REFERENCE TO LEBANON-BASED P.L.O. TERRORIST ATTEMPTS ON NORTHERN ISRAELI SETTLEMENTS.



## JUMBLE.

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CHACO

KELN

YARTE

PRALL







## ART BUCHWALD

## Trends in the Arms Biz

WASHINGTON — War and destruction in the Falklands and Lebanon may be bad for people, but it has certainly helped the arms business.

I went over to see Madman Rangel who runs a weapons discount bazaar across the street from the Pentagon, and he was writing up orders like mad.

Everyone used to want surface ships, he complained. "Now all they want is submarines. You can't predict people's tastes. I've got a warehouse of frigates I can't give away ever since the French missiles sank the British once."

"Who are your best customers now, Madman?" I asked. "The Third World countries. They used to come in and buy a few down tanks and maybe a broken-down artillery piece. Now they want F-16 fighter jets, missile launchers, radar-controlled anti-aircraft guns. I don't know where they get the money, but if it isn't top of the line, they're not interested."

"They're probably spending more on defense than they are on food, housing and creating jobs in their countries."

"I don't ask questions. If their people can't eat it's not my problem."

"Obviously you're not being hurt by the recession."

"You have to be kidding. Who ever heard of a recession stopping arms sales? A general from a Third World country came in the other day; nice guy, beautifully dressed in a new uniform; wanted a gross of heat-seeking missiles that could shoot down F-5 fighter planes."

"While he was waiting to have them packed, I showed him our latest electrically controlled land mines. The guy went nuts for them and ordered 50 gross. Then he asked me if I had any howitzers?"

"I took him in the back and

showed him a 1982 model and he was like a kid with a new bicycle. He took two dozen."

"Where did he get the money to pay for the stuff?"

"He went across the street to the Pentagon and explained he wanted it to kick the hell out of the Soviets. They wrote him out a check on the spot."

"You have a great location," I told Madman.

"The best in Washington. Now here's the funny part. As soon as that general left, another general came in from the Third World country that borders the first general's. I told him what the other guy purchased and sold him an entire system to foot the heat-seeking missiles the first guy bought. Then I talked him into buying 1,000 mine detectors that could blow up the mines. I also sold the second general a long artillery piece that could knock out the 1982 howitzer. It was an \$80-million order."

"You have a good business here," I told Madman.

"I make a living. The beauty of it is that no country considers it self safe any more. The Reagan administration has cut down on economic aid to the Third World because you don't get a bang for it. But they're upping military aid to win the hearts and minds of their people."

An Israeli military attaché came in.

"What can I do for you, sir?"

"I have \$65 million worth of Syrian and PLO weapons in my pickup outside, and I was wondering if you want to buy them."

Madman Rangel went outside. "It's all junk. There's no market for this stuff. I'll give you \$250 on a trade-in, and that's just because I'm a nice guy. What do you want to buy?"

"The attaché took out his list. 'Forty plane-fuelers of cluster bombs, 10,000 artillery shells and six WACs.'"

"Speak slower. I can't write it down that fast."

"The attaché said he had some other errands and would pick up the order in the afternoon."

"What are you going to do with all the Syrian and PLO used goods you bought?" I asked him.

"I'll probably sell it to Bangladesh. I don't want it cluttering up my yard."

© 1982, Los Angeles Times Syndicate

## 400-Ton 'Island' Roils Landlubbers

California Shore-Centry Stir Up New Waves in Sausalito Houseboat Wars

By Judith Cummings

New York Times Service

SAUSALITO, Calif. — "Forbes' Island," doesn't show up on maps around San Francisco, but its recent fame would make that redundant.

The island is a man-made dream refuge that a Sausalito contractor has floated into a bay a few miles north of the Golden Gate Bridge, a concrete houseboat outfitted with a gazebo, a hot tub, a waterfall, a sandy beach and guard dogs, to sound a little of what's above deck. The palm trees alone are enough to attract attention.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.

Forbes T. Kiddoo, a prospering building contractor, built the fantasy island and thus unwittingly rolled a stone of old resentments.



Forbes T. Kiddoo's concrete houseboat boasts palm trees, beach and waterfall.

son Bay and on the dozens of more modest houseboats anchored in it. Some land dwellers raised old questions about whether the houseboat people paid property taxes and other obligations required of land owners, and they complained about sewage in the bay.

Richard Thalheimer, president of the Strawberry Point Homeowners Association, said the bay had become "the last remnant of the flower children era."

"As a property owner who's paying several thousand dollars a year in property taxes, I have to ask why these people are allowed to live here, not contributing anything to society," Thalheimer said.

Now the Marin County government, citing increasing pollution and blight, has renewed its periodic attempts to clear the bay of the growing number of anchored dwellings. Al Aramburo, a county supervisor from the affluent hillside district of Tiburon, proposed that the 70 or so permanently anchored houseboats be required to moor at docks.

Howls of Protest

This evoked howls of protest. More than 100 people turned out for a public hearing. Many said they had been a guest on the island and, in any event, preferred the discreet pleasures of life at anchor in the sheltered bay.

In the midst of all the controversy, Forbes' Island has become a mysterious presence, and an invitation to it a coveted item.

Former guests talk about three-day parties, about private screenings of "20,000 Leagues Under the Sea" and about black-tie evenings entertained with ensemble performances of Bach and Mozart.

Kiddoo is close-mouthed about his intentions. He turned down a request for an interview, saying he first wanted to lay out a crushed granite on the houseboat's dock as one of his finishing touches.

"All the Niceties"

"It's got 15 rooms, a wine cellar, a treatment plant for sewage, all the niceties you have on an island," Kiddoo said, rushing through the telephone conversation.

"I know what it's supposed to look like and when it's going to be ready."

Asked what motivated a man to build and launch his own island, he said, "I've got imagination."

Aramburo said that if the ban he proposed was fully adopted, Forbes' Island would be outlaid, that as an admirer of Kiddoo's project, he would regret that.

"We'll get the right to move it, but where do you take it?" he said. "It weighs 400 tons."

Aramburo acknowledged that he had been a guest on the island and, like other guests, he said the full range of its accommodations was nothing short of "ouplent."

"He's got Persian carpets, several pianos, a big bar out of a restaurant in San Francisco, four state rooms, three or four heads," the county supervisor said. "One night I was there and had a classical music evening—flute, strings, people were dressed in black tie and there was champagne for 30 or 40 people."

If Kiddoo has created a highly individualized habitat, the "alterna-lifestyle" people, as they are known locally, counter that they have, too.

Uncertain Fate

The fate of Forbes' Island and the other houseboats remains uncertain. Aramburo has scheduled yet another round of public meetings. The Bay Conservation Development Commission, a state agency, shares authority over Richardson Bay with the county, and Steven McAdam, an enforcement specialist with the agency, said a quick resolution should not be expected.

"If there's a sentiment," he said, "it's that you solve the problem as a whole or it doesn't get solved."

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

## VIP Campfire Days

Deep in a redwood forest outside San Francisco, some of the world's richest and most powerful men are gathered in a secret annual rite of summer. Wearing hooded robes, they cluster around campfires in the cool, starry night, sharing jokes and silly amusements while a blazing icon symbolically burns away the world's troubles. In the old setting along the Russian River known simply as the Bohemian Club's Encampment, West German Chancellor Helmut Schmidt will spend a few days with George Shultz, confirmed by the Senate on Thursday as secretary of state, and Defense Secretary Casper Weinberger. The all-male frolic takes place in a closely guarded 2,700-acre camp 75 miles north of San Francisco. The Bohemian Club, which also has an elegant brick home in San Francisco, was founded in 1872 by newspapermen and artists, but their need for money after several years led them to admit the well-to-do, who have come to dominate the club. Current members include President Reagan, who has no plans to attend this encampment, former Presidents Gerald R. Ford and Richard Nixon, Vice President George Bush and Attorney General William French Smith. Shultz will spend the weekend of July 23-25—a vacation established long before Shultz was named to head the State Department. The club's literature contends the 17-day summer camp at the Bohemian Grove is just for relaxation. Business talk is supposed to be forbidden. Every Republican president since President Herbert Hoover, whose party called it "the greatest encampment," has attended since 1953, unveiled the "new Nixon" in a 1967 speech near the Grove's Owl Shrine that he said, "marked the first milestone on my road to the presidency." The state of California has so far failed in anti-discrimination suits to force the club to hire women at the camp. The club argued in court that the presence of women would force members to alter their behavior.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said John Habersham, explaining why the New York City Lyric Opera Company will open its fall season next November in a discotheque with a new rendering of a 340-year-old work that Claudio Monteverdi penned at 75. Habersham, the company's artistic director, said the updated version of the composer's "The Coronation of Poppea" is "pretty scholarly," but we are only partly joking at calling it punk-Roman. "It's very much a character piece about real people," including Emperor Nero. "This quite sure Monteverdi would approve."

Although President Franklin D. Roosevelt once said he would not want a monument bigger than his desk, Congress wants to build him a memorial, a 3.8-acre structure, approved by both houses, calls for a \$31-million memorial garden with waterfalls to honor the man who led the nation out of the Great Depression and to victory in World War II. It now goes to President Reagan. Since he died in 1945, the only FDR memorial in Washington, a city of monuments, has been a simple plaque near the National Archives. Congress has long felt, however, that the 32nd president deserved more than that.

The FDR Memorial Commission has been trying since 1955 to find an appropriate memorial for Roosevelt, who won four terms and occupied the White House longer than any other president—from 1933 until 1945.

There'll be no "jail memoirs" from Stephen Loren. "It is too personal. How could you expect something like that? It is for me to remember," the actress said of her 17 days in an Italian jail last month for tax evasion. Loren, 47,

told a Rome news conference: "My jail sentence was not in vain. It's something I will never forget. It was the ugliest experience of my life. I felt very protected by the love and the faith that I received in the prison, that I received from people all over the world, not only my friends, my fans, but also from people that have a certain weight in society."

The actress summoned reporters to say she bowed out of an Italian movie, whose producers may sue her, because delays threatened her other commitments. Loren is returning to the United States to star in a movie, "The Rose," with actor-director John Cazale and a new director, "Rose Tattoo" for cable television.

"The opera has sex, violence, politics—everything," said